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**PATENT**
**Docket No.: 1018-001US01**

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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

    Lalitha Vaidyanathan et al.

Serial No.:    09/504,159          Art Unit:    3629

Filed:      February 15, 2000        Examiner:  Janice A. Mooneyham

For:    ELECTRONIC DISPUTE RESOLUTION SYSTEM

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CERTIFICATE UNDER 37 CFR 1.8 I hereby certify that this correspondence is being transmitted via the United States Patent and Trademark Office electronic filing system on _August 6, 2007_.

By: _Caryl Harriman_

Name: Caryl Harriman

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## SECOND AMENDED APPEAL BRIEF FOR
## ORIGINAL APPEAL BRIEF FILED NOVEMBER 07, 2005

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450,
Alexandria, VA 22313

Dear Sir:

    This is an appeal from the Office Action mailed September 23, 2005. The Notice of Appeal was filed on November 8, 2004. The present application has been rejected more than twice. A first Appeal Brief was filed on January 7, 2005. In the Office Action and in response to Appellant's Reply Brief filed, the Examiner reopened prosecution and set forth a new ground of rejection for all of the pending claims. Appellant requested reinstatement of the Appeal.

    In a communication dated February 5, 2007, the Office indicated that Appellant's original Appeal Brief filed November 07, 2005 was non-compliant for failing to include certain headings

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for appendixes.  Applicant submitted an Amended Brief on March 5, 2007 to correct the headings.

Next, in a communication dated July 17, 2007, the Office indicated that Appellant's Amended Appeal Brief was non-compliant for failing to identify a related appeal.  Appellant points out that the related appeal was filed substantially after Appellant's original brief filed November 7, 2005 and was also identified in Appellant's Reply Brief.  Nevertheless, Appellant submits this Second Amended Appeal Brief identifying the related proceeding.  Appellant refers the Board to this Appeal Brief as well as the Appellant's Reply Brief submitted January 30, 2007.

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## REAL PARTY IN INTEREST

The real party in interest is SquareTrade, Inc. of San Francisco, California.

## RELATED APPEALS AND INTERFERENCES

Application Serial No. 10/672,136, filed September 26, 2003, which is a continuation of the present application, is currently under appeal before the Board of Patent Appeals and Interferences.

## STATUS OF CLAIMS

Claims 1-17, 20-22, 25-31, 64-73, 93-100 and 108-117 are on appeal in this case. Claims 18-19, 23, 24, 32-63, 74 have been cancelled, and claims 75-92, 101-107 have been withdrawn.

Claims 1-17, 20-22, 25-27, 64-73, 93-99, 100, 109, 110-113, and 115 stand rejected under 35 U.S.C. 103(a) as being unpatentable by Sloo (U.S. Patent 5,895,450) over published U.S. Patent Application US 2002/0007362 to Collins et al.

Claims 28-31, 114 and 117 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Sloo and Collins as applied to claims 1 and 112, and further in view of www.truste.com (retrieved from Internet Archive Wayback Machine) (hereafter "TRUSTe").

Claim 108 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Sloo in view of Slaikeu (U. S. Publication No. 2001/0007106) (hereafter "Slaikeu").

Claims 111 and 115 are rejected under 35 U.S.C. 112, first paragraph as failing to comply with the written description requirement.

## STATUS OF AMENDMENTS

No amendments have been filed subsequent to the Rejection mailed September 23, 2005 from which this Appeal has been made.

# SUMMARY OF THE CLAIMED SUBJECT MATTER

## Independent claim 1

Independent claim 1 is directed to a method for resolving an electronic commerce dispute involving one or more parties. Independent claim 1 recites electronically providing access to an online dispute resolution system (dispute resolution system 130 of FIG. 1 and dispute resolution system 150 of FIG. 2B) to allow at least one of the parties (seller 104 or consumer 106 of FIG. 1) to initiate a filing of the dispute from an online marketplace (marketplace 102 of FIG. 1).

With respect to the "online dispute resolution system" and "parties" recited by claim 1, the present application at pp. 11-12 describes dispute resolution systems 130 and 150 of FIGS. 1 and 2, respectively, as assisting sellers 104 and consumers 106 in resolving disputes, e.g., disputes related to transactions that occur within marketplace 102. With respect to the "online marketplace" recited by claim 1, the present application states that marketplace 102 of FIG. 1 is an online marketplace such as "a website or an online centralized trading place."[1] The present application gives a specific example of an online marketplace as www.eBay.com, which is a well-known centralized trading place on the Internet.[2]

Claim 1 specifically requires the step of allowing at least one of the parties (shown as seller 104 or consumer 106 of FIG. 1) to initiate a filing of the dispute from an online marketplace. With respect to these elements, Appellant refers the Board to page. 16, ll. 21-22 of the present application. This portion of the specification describes that, after purchase, if the buyer is dissatisfied with the online transaction previously entered into at the marketplace, the buyer can file a complaint if he or she desires. FIG. 6 is relevant to this feature of the claim, and illustrates a complaint pre-filing process in which step 282 shows a seller or buyer initiating a dispute by interacting with a partner system, such as online marketplace 102. Block 282 of the method set forth in FIG. 6 is clearly labeled <partner> so as illustrate that the function is performed by an electronic partner system e.g., marketplace 102, and that a party can interact with the partner system to remotely initiate a dispute to be handled by the online dispute resolution system 130 or 150.

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[1] Page 11, ln. 5.
[2] Page 11, ll. 11-17.

Claim 1 further requires the step of electronically receiving, with the online dispute resolution system, transaction data from the marketplace, wherein the transaction data describes transactions within the marketplace. Figure 2B and the related description are relevant to understanding these elements of claim 1. Specifically, Figure 2B shows a dispute resolution system 150 that shares data directly with other partner systems.[3] Description of Figure 2B is of particular relevance to understanding the required step of claim 1 of receiving, with the online dispute resolution system, transaction data from the marketplace. With respect to this claimed step, the specification describes software objects that may be integrated into a partner system, such as the online marketplace, that allow the partner system to transparently send relevant partner transactions to the dispute resolution system 130.[4] The specification also states that partner data 164 for relevant transactions in dispute can be electronically communicated from a partner system to dispute resolution system 130 by way of data manager 162.[5]

Claim 1 also requires the step of receiving, from at least one of the parties, information related to the dispute, and executing software with the online dispute resolution system to apply an online dispute resolution process that utilizes at least a portion of the transaction data from the marketplace and the information to assist the parties in resolving the dispute. Figure 6 and the related description at pg. 20, ln. 17, describe the step of a party completing a complaint form after initiating a complaint filing. Further, the present application provides numerous examples of dispute resolution system 130 performing the step of utilizing data describing the transaction to assist buyers and sellers in resolving the disputes related to those transactions. As one example, Appellant refers the Board to FIG. 10 and the related description that describes a predictive reasoning process (method) 500 at pg. 26, ln. 23 – pg. 27, ln. 21 that utilizes data describing a disputed transaction to "assist[] the dispute resolution specialists as well as the parties themselves in deciding a fair resolution of the dispute." In this example, the present application makes clear that dispute resolution system 130 uses facts describing the transaction to search a historical database to identify previous cases with similar facts. Dispute resolution system 130 then retrieves, summarizes and displays the outcomes of the cases similar to the

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[3] *See, e.g.,* pg. 13, ll. 14-15 describing a second implementation 150; pg. 14, ll. 4-5 describing how remote software objects allow business partners to integrate with the dispute resolution system.

[4] Page 14, ll. 1-9.

[5] Page 14, ll. 10-15.

disputed transaction for all parties and the dispute resolution specialist to assist them in resolving the present dispute.

### Independent claim 112

Independent claim 112 is directed to a system comprising an online dispute resolution system (130 of FIG. 1, 150 of FIG. 2B) that electronically receives transaction data (see partner data 164 of FIG. 2B) from a marketplace (102) that provides a web-based community having buyers and sellers (104 and 106) of goods and services, the transaction data describing transactions within the electronic marketplace.

Claim 112 requires that the dispute resolution system execute software that utilizes the transaction data and apply a dispute resolution process to assist the buyers or sellers in resolving disputes relating to the transactions. As discussed above with respect to claim 1, the present application provides numerous examples of dispute resolution system 130 utilizing data describing the transaction to assist buyers and sellers in resolving the disputes related to those transactions. For example, FIG. 10 and the related description at pg. 26, ln. 23 – pg. 27, ln. 21 describes a predictive reasoning method 500 that utilizes data describing a disputed transaction to "assist[] the dispute resolution specialists as well as the parties themselves in deciding a fair resolution of the dispute."

Unlike claim 1, independent claim 112 requires that the online dispute resolution system electronically provides status data back to the marketplace based on participation of the buyers or sellers within the online dispute resolution process. With respect to these claim elements, Appellant refers the Board to the specification at pg. 14, ll. 1-11 that describes software objects that may be integrated into a partner system, such as the online marketplace 102, that allow the partner system to transparently query dispute resolution system 130 and receive specific information from the online dispute resolution system including a status of a specific marketplace seller.

### Dependent claim 111 and 115

Claim 111 requires that the step of automatically electronically communicating the transaction data (see partner data 164 of FIG. 2) between a database of the online dispute resolution system (see database server 160 of dispute resolution system 150 of FIG. 2) and a database of the electronic marketplace (see partner database 164 of FIG. 2).

Claim 115 requires that the online dispute resolution system (see dispute resolution system 150 of FIG. 2) includes a data manager software application (see data manager 162) to automatically communicate data (see partner data 164) between a database of the online dispute resolution system (see database server 160 of dispute resolution system 150 FIG. 2) and the database of the electronic marketplace (see partner database 164 of FIG. 2).

### Dependent claims 110 and 113

Appellant's claims 110 and 113 require automatically initiating enrollment in an online dispute resolution system in response to requests received from an online marketplace. Fig. 4 and the related description describe a process 240 whereby a seller can request coverage from the dispute resolution system. Block 240 of Fig. 4 shows the request being initiated by the buyer by a website provided by the partner system, e.g., the website of electronic market place 110. Blocks 246, 248 and 250 of the process show control returning to the partner system after the enrollment request is serviced.

### Dependent claim 30

Appellant's claim 30 requires communicating membership data from the online dispute resolution system to the online marketplace, and automatically showing a visual indicia within the marketplace to indicate the availability of the dispute resolution system and the membership of buyers or sellers in the dispute resolution process. Relevant to these claim elements, the present application describes software objects executing within a partner system (e.g., the online marketplace 102) to provide functionality to receive specific information from the dispute resolution system 150 of FIG. 2B.[6] According to the present application, the objects can query the dispute resolution system data to receive status of a particular marketplace seller. Based on

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[6] *See, e.g.,* Figure 2B, pp. 13-14.

the status, the partner system can provide "visual indicia" that a seller in a transaction has membership in the dispute resolution system. Also relevant to understanding these claim elements is pg. 15, ll. 20-22, where the present application describes how, upon enrolling a seller and updating a membership database, a process executing within the dispute resolution system electronically communicates visual indicia, such as a graphical medallion, to the partner system to be displayed by the partner system.

### Dependent claim 2, 64 and 93

Appellant's claim 2 requires automatically selecting one of two modes of resolving the dispute, the first mode requiring the online dispute resolution process being driven by an electronic agent to assist the parties in resolving the dispute and the second mode involving a human dispute resolution specialist. Relevant to these claim elements, at pg. 4, ll. 21-22, the present application describes a method of applying a case-based reasoning system to assist the determination of selecting one of two modes of resolving the dispute, the first mode being completely driven by an electronic agent and the second mode involving a dispute resolution specialist.

Claim 64 requires a database to store facts and outcomes of previously resolved disputes, and a server that receives case information related to the dispute and compares the case information to the facts of previously resolved disputes stored by the database to produce a result for use in selection of a mode of resolving the dispute, and presents a result of the comparison to the parties via the network. Relevant to these claim elements, at pg. 4, ln 22 - pg. 5, ln. 4, the present application states that the case-based reasoning system can contain a history file that contains patterns and precedents, which are applied to generate an outcome prediction to assist the parties in determining of the mode of dispute resolution.

Claim 93 requires a different embodiment in which the server compares the case information to facts of previously resolved disputes to automatically select a resolution mode comprising one of (i) a direct negotiation mode, (ii) a conciliation mode, and (iii) mediation mode. See, e.g., pg. 4, ll. 21-22.

**Dependent claim 108**

Claim 108 requires training a dispute resolution specialist by requiring the dispute resolution specialist to experience transactions within online marketplaces including at least an auction site; outputting simulated online dispute resolution cases to the dispute resolution specialists via the computer network to assess the skills of the dispute resolution specialists; and assigning online disputes to the dispute resolution specialists only upon completion of the training and successful resolution of the simulated online dispute resolution cases. The present application, at pg. 12, ll. 11-22, describes a training process and, in particular, use of simulated online dispute resolution cases to train dispute resolution specialists.

## GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Appellant submit the following three grounds of rejection to be reviewed on Appeal.

The first ground of rejection to be reviewed on appeal is the rejection of claims 1-17, 20-22, 25-27, 64-73, 93-99, 100, 109, 110-113, and 115 under 35 U.S.C. 103(a) as being unpatentable by Sloo over published U.S. Patent Application US 2002/0007362 to Collins.

The second ground of rejection to be reviewed on appeal is the rejection of claims 28-31, 114 and 117 under 35 U.S.C. § 103(a) as being unpatentable over Sloo in view of TRUSTe.

The third ground of rejection to be reviewed on appeal is the rejection of claim 108 under 35 U.S.C. § 103(a) as being unpatentable over Sloo in view of Slaikeu.

The fourth ground of rejection to be reviewed on appeal is the rejection of claims 111 and 115 under 35 U.S.C. 112, first paragraph as failing to comply with the written description requirement.

## ARGUMENTS

### The First Ground of Rejection to be Reviewed
### on Appeal (*Claims 1-17, 20-22, 25-27, 64-73, 93-99, 100, 109, 110-113, and 115*)

In the Office Action, the Examiner rejected Appellant's claims 1-17, 20-22, 25-27, 64-73, 93-99, 100, 109, 110-113, and 115 under 35 U.S.C. 103(a) as being unpatentable over Sloo in view of Collins.

Appellant respectfully requests that all rejections be reversed by the Board because, upon proper construction of Appellant's claims, the cited references fail to disclose or suggest the feature defined by Appellant's claims and provide no teaching that would have suggested the desirability of modification to arrive at the claimed invention. Appellant first addresses the references and then addresses the specific rejections in greater detail below.

### The Sloo reference (U.S. Patent 5,895,450)

Sloo describes a computer-based apparatus for handling complaints.[7] As illustrated in Figure 1, the Sloo complaint-handling apparatus includes a central computer 12 and a plurality of access terminals 14 coupled with the central computer by a communications network 16. Complainants electronically access a central computer 12 via access terminals 14 to lodge complaints.[8] The access terminals 14 receive complaints and responses from the users, deliver them to the central computer 12, and receive transmissions from the central computer.[9]

Sloo makes clear that the Sloo complaint-handling system is not accessible by any other system and that a complainant manually enters all relevant data when electronically lodging a complaint. This point is not disputed by the Examiner. For example, Sloo states:

> *FIG. 3 illustrates the "Register a Complaint" routine of the program and method. This portion of the program begins at step 300 where it displays or transmits instructions or information to the user at the appropriate access terminal 14. The program then prompts the user to enter identifying information in step 302 and creates a data record that is used to store the particular complaint, response, and other information relating to the complaint. ...*

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[7] Sloo at Summary.
[8] Sloo at col. 3, ll. 8-10.
[9] *Id.* at col. 3, ll. 18-20.

> *The program prompts **the user** to enter his or her complaint in step 306 and stores the complaint in the data record created in step 302 above. The program preferably prompts **the user or complainant** to enter a detailed complaint, the action the user requests to resolve the complaint or dispute, an abbreviated description of the complaint such as several key words summarizing the complaint, the user's phone number and e-mail address, and a personal "complaint resolved" password.*[10]

Once a complaint is lodged, the Sloo system allows a "subject" to manually enter any response information.  For example, Sloo states:

> *If the user selected the "Register a Response" option in step 212 of FIG. 2, the program moves to the steps illustrated in FIG. 5. This portion of the program permits a **subject** to respond to a complaint issued against it. ...*
>
> *The registration of a response begins at step 500 which provides initial information to the **subject** such as instructions on how to register a response. The program then prompts the **subject** to enter the private e-mail address or password that was created during the registration of the complaint determines whether the entered e-mail address is correct in steps 502 and 504. Since only the complainant and the subject are provided with this private e-mail address, only the **subject** of the complaint can enter a response to the complaint.*[11]

Sloo also makes clear that the respondent must manually enter the response data, either by electronic mail, conventional postal service, facsimile or voice:

> *The subject may respond to the complaint by entering information in one of the access terminals and e-mailing or transmitting the information to the central computer by way of the communications network or may mail or fax its response via conventional postal service mail or facsimile service. In the latter case, the response is optically scanned, optical character recognized, and transferred to the memory of central computer. Alternatively, the subject may provide an oral response to the complaint that is entered into the complaint handling apparatus by a voice recognition device. Finally, the program posts selected portions of the response along with the selected portions of the complaint in the public record as depicted by step 516.*[12]

The central computer of the Sloo system is programmed to store the complaint and response data provided by the parties, and negotiate settlements to the complaints by several means.  Once the disputes are resolved, the settlements or judgments are stored along with their respective complaints and responses in the data records.[13]

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[10] *Id.* at col. 4, ll. 45-51 (emphasis added).
[11] *Id.* at col. 5, ln. 66 – col. 6, ln. 14 (emphasis added).
[12] *Id.* at col.6, ln. 55-67.
[13] *Id.* at Summary.

**The Collins reference (U.S. Patent Application 2002/0007362)**

Collins describes a network apparatus for facilitating agreement between parties. For example, Figure 1A of Collins shows Party A and Party B interacting with a central server 120 of the complaint-handling system to negotiate an agreement. With respect to the embodiment of Figure 1A, Collins makes clear that the parties manually enter all data describing a situation, similar to Sloo. According to Collins, Party A "initiates a negotiation session by connecting with the central server 120 [of the complaint handling system] and providing data to the central server 120 concerning the nature of the situation and the identity of party B."[14] Party B then responds by providing his or her position data to the same system. With respect to the embodiment of Figure 1A, Collins describes Parties A and Parties B interacting with the central server 120 by interacting with HTML "templates."[15] Thus, with respect to the embodiment of Figure 1A, Collins makes clear that, the parties directly access the Collins' system and manually enter all data describing a situation.

Figure 1B of Collins describes an alternate embodiment in which Party B is a merchant and has a database that maintains records concerning customers. The maintained data may be number of transactions, amount of purchased merchandise, an associated rating or other data concerning the customer.

Applicant points out that Figure 1B and the related disclosure [0045] does not qualify as prior art with respect to the present application. The present application is a continuation of and claims priority to Serial No. 09/504,159, filed February 15, 2000. Collins was filed April 28, 2000, which is nearly two months after Applicant's priority date of February 15, 2000, but claims priority to three U.S. provisional applications filed prior to the priority date of the present application.

MPEP 2136.03 states that the 35 U.S.C. 102(e) critical reference date of a U.S. patent or U.S. application publications entitled to the benefit of the filing date of a provisional application under 35 U.S.C. 119(e) is the filing date of the provisional application if the provisional

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[14] Collins at [0042].
[15] Collins at [0037]-[0038].

applications properly supports the subject matter relied upon to make the rejection in compliance with 35 U.S.C. 112, first paragraph.

The specific features of Figure 1B and the related description in paragraph [0046] are not taught or suggested by the priority documents. Consequently, in accordance with MPEP 2136.03, the Collins reference does not receive the benefit of the filing dates of the priority documents with respect to the subject matter shown and described with respect to Figure 1B.

### The Slaikeu reference (U.S. Patent Application 2001/0007106)

Slaikeu describes an expert system for the analysis of conflict handling procedures.[16] In particular, templates are described for gathering existing organizational conflict handling procedures. The templates yield recommendations for modification to the procedures.[17] Slaikeu does not describe any form of an electronic dispute resolution system that assists parties in handling actual disputes, let alone an electronic dispute resolution system that is integrated with a partner system, such as an electronic marketplace for goods and services.

### The TRUSTe reference

TRUSTe is an archived website of a non-profit organization that maintains a membership database of sites that agree to comply with certain requirements. Each member is then awarded a "trustmark" for display on its site. Upon certification, the company manually updates its site to display the TRUSTe trustmark.

### Independent claim 1

The claimed subject matter on appeal is directed to an electronic dispute resolution system that is integrated with a partner system, such as an electronic marketplace for goods and services. The dispute resolution system is integrated with a partner system in the sense that electronic data can be directly shared between the systems. This integration may achieve certain advantages, such as increasing the efficiency of dispute resolution within high-volume

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[16] Slaikeu at Abstract.
[17] *Id.*

environments. Further, specific information, such as status information for a marketplace participant, may be automatically shared between the systems, thereby allowing marketplace participants to achieve a greater degree of confidence when transacting or selecting a particular party with which to do business.

Figure 1 of the present application, shown below, illustrates one or more sellers 104 that offer their products and/or services to one or more consumers 106 at a marketplace 102. One exemplary large-scale electronic marketplace on the Internet is eBay, located at www.eBay.com. Figure 1 also depicts a dispute resolution system 130 coupled to marketplace 102 by network 120. As described in detail in the present application, dispute resolution system 130 assists sellers 104 and consumers 106 in resolving disputes, e.g., disputes related to transactions that occur within marketplace 102.
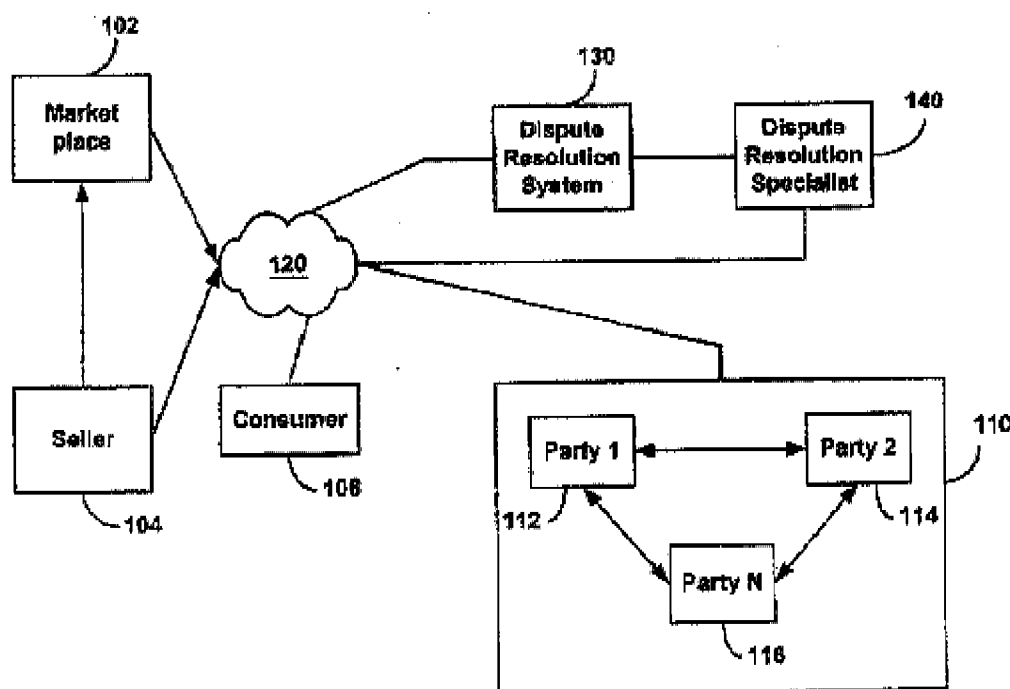
**FIG. 1**

As illustrated in Figure 2B and described within the present application, the dispute resolution system 130 is "integrated" with marketplace 102 as a partner system in that data is

directly shared between the systems. For example, partner data 164 for relevant transactions in dispute can be electronically communicated from marketplace 102 to dispute resolution system 130 by way of data manager 162. In addition, specific information, such as status information, can be communicated from the dispute resolution system 130 to a database within marketplace 102.
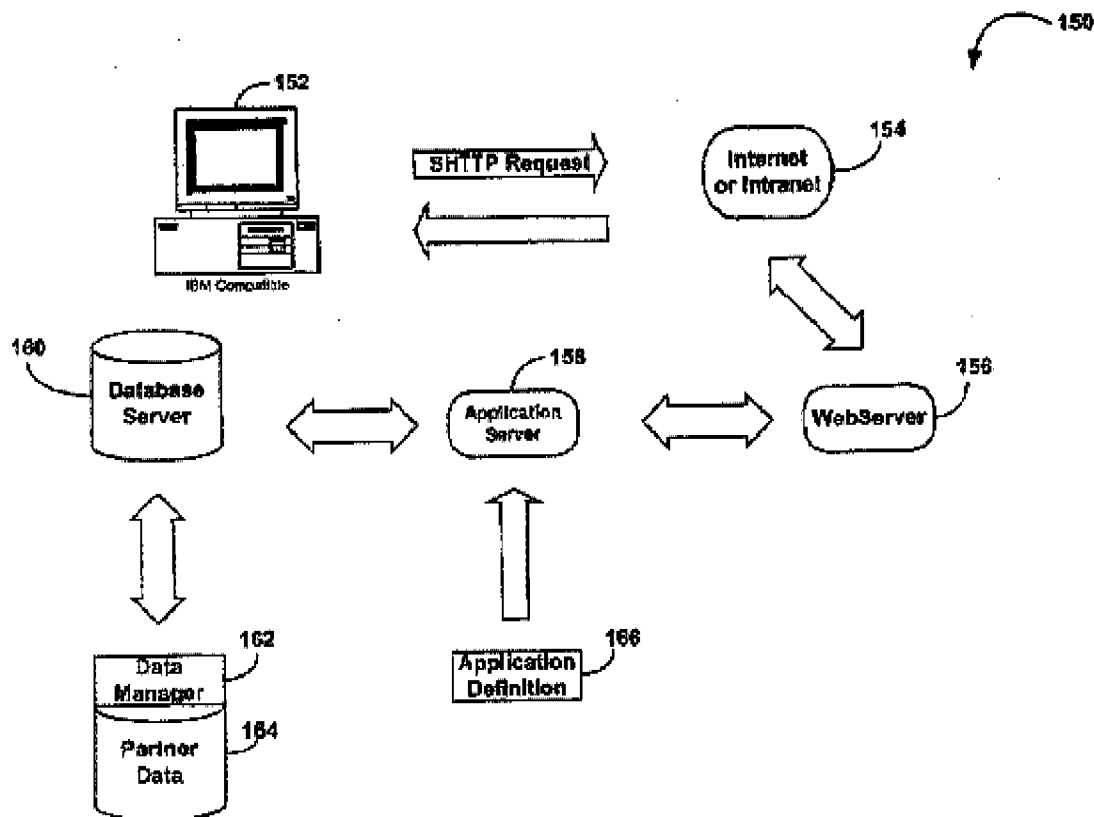


**FIG. 2B**

As specific examples, paragraphs [0047] and [0048] of Appellants' application illustrate one exemplary embodiment of Appellants' claimed invention:

> *[0047] The server 158 [of dispute resolution system 130] receives data from a set of remote objects that reside in the partner's system 166. The remote objects, which can be enterprise Java Beans, are provided to allow business partners of the system to integrate with the dispute resolution system. Both DCOM objects and Enterprise Java Beans models can be used. These objects provide functionality to receive and send specific information to the dispute resolution system 130. The objects will transparently deal*

*with communication issues including server unavailability and performance.  Example functionality includes informing the dispute resolution system 130 of relevant partner transactions and allowing partners to query the dispute resolution system data such as the status of a specific marketplace seller 104.*

*[0048] The server 158 in turn communicates with a structured query language (SQL) server 160.  The SQL server 160 also communicates with a data manager 162. The data manager 162 in turn communicates with one or more partner databases 164.  Partners integrate with the system, by exposing relevant functionality on their respective websites, for example, allowing customers [of the marketplace] to dispute a transaction.  ...*

These exemplary paragraphs, as well as other sections of the present application, describe example embodiments in which a "partner system" (e.g., an online marketplace 102) may be "integrated" with dispute resolution system 130.

Appellant maintains that Sloo in view of Collins fails to teach or suggest many of the required elements of Appellant's claim 1, which reads as follows:

*A method for resolving an electronic commerce dispute involving one or more parties, comprising:*

*electronically providing access to an online dispute resolution system to allow at least one of the parties to initiate a filing of the dispute from an online marketplace;*

*electronically receiving with the online dispute resolution system transaction data from the marketplace, wherein the transaction data describes transactions within the marketplace;*

*receiving from at least one of the parties information related to the dispute; and*

*executing software with the online dispute resolution system to apply an online dispute resolution process that utilizes at least a portion of the transaction data from the market place and the information to assist the parties in resolving the dispute.*

Sloo in view of Collins fails to teach or suggest many elements of claim 1, including electronically providing access to an online dispute resolution system to allow at least one of the parties to *initiate a filing of the dispute from an online marketplace.*  Moreover, Sloo fails to teach or suggest *electronically receiving with the online dispute resolution system transaction*

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*data from the marketplace, wherein the transaction data describes transactions within the marketplace.* Further, Sloo in view of Collins fails to teach or suggest executing software with the online dispute resolution system to apply an online dispute resolution process that utilizes *at least a portion of the transaction data from the marketplace* and the information to assist the parties in resolving the dispute.

Sloo merely describes a stand-alone, computer-based complaint handling system capable of handing disputes related to offline, traditional transactions. Sloo makes clear that individual users manually provide all information related to a dispute. For example, as described in detail above, Sloo makes clear that an individual complainant directly accesses the Sloo resolution system and manually enters all data when electronically lodging a complaint. Sloo makes equally clear that the respondent manually enters all relevant response data.

In contrast, as discussed above, the present application describes and claims embodiments in which an online dispute resolution system may be integrated with a "partner system" (e.g., an online marketplace as described in the present application). In particular, the partner system may automatically *share* specific information of relevant partner transactions related to the dispute. This is one manner in which the invention may achieve technical differences and advantages over the prior art. With respect to claim 1, the present application requires electronically providing access to an online dispute resolution system to *initiate a filing of the dispute from an online marketplace.* In other words, claim 1 specifically requires that a party can initiate filing of a dispute from the online marketplace. Claim 1 also requires that the online dispute resolution system *electronically receive transaction data from the marketplace* that describes transactions within the marketplace. Thus, not only can disputes be initiated from the online marketplace, but transaction data is received from the online marketplace and then *at least a portion of the transaction data from the marketplace* is used to assist the parties in resolving the dispute.

In the Office Action, the Examiner correctly recognizes that the Sloo system is a stand-alone, computer-based complaint handling system that is not accessible by any other system.[18] The Examiner also recognized that the Sloo system does not allow disputes to be initiated by any

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[18] Office Action dated September 23, 2005, pg. 5(stating "the Examiner interpets 'electronically' receiving data' [from a marketplace] to include data entered manually"); See also Id. at pg. 4 (recognizing that users interact directly with access terminals of the Sloo complaint handling system).

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other system, and that the system requires individual users to directly access the Sloo system and manually provide all information related to a dispute.[19]

Nevertheless, the Examiner rejects Appellant's claim 1 based on the erroneous reasoning that claim 1 covers individuals or entities separately and manually accessing the Sloo complaint handing system that may have at some time been previously involved in a form of commerce on the Internet. Specifically, the Examiner argues that because an individual may have at some point previously bought or sold a good in commerce, then the stand-alone Sloo system teaches the elements of claim 1 of providing access to an online dispute resolution system to allow at least one of the parties to *initiate a filing of the dispute from an online marketplace.* For example, with respect to claim 1, the Examiner argues that "the users of the [Sloo] apparatus who file complaints may include individuals, business, organizations or other entities and the complaints may related to goods, classes of goods, services ...."[20] With respect to the requirement of claim 1 of electronically providing access to an online dispute resolution system to initiate a filing of the dispute from the online marketplace itself, the Examiner bases the rejection on the argument that a party accessing the Sloo complaint system can be a "retailer" or a "wholesaler" for "complaints relating to goods/services."[21] With respect to the claim element "online marketplace," the Examiner relies on Collins, stating that Collins describes that one party accessing the Collins dispute resolution system may be a merchant and the transaction being disputed may have previously occurred over the Internet. As described above, with respect to the embodiment of Figure 1A, Collins makes clear that the parties manually enter all data describing a situation and do so by direct interaction with the Collins system.

Similarly, with respect to the additional requirements of electronically receiving transaction data from the marketplace and utilizing at least a portion of the transaction data from the marketplace to assist the parties in resolving the dispute, the Examiner expressly states that she is interpreting this language to include a respondent manually accessing Sloo and entering data that describes a transaction.[22]

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[19] *Id.*
[20] Office Action dated September 9, 2005, pg. 4.
[21] Office Action, pg. 5.
[22] Office Action, pg. 6, ll. 1-5.

Thus, one central issue with respect to claim 1 is that the Examiner's construction of claim 1 and conclusions of obviousness are improper in view the plain language of claim 1, the intrinsic evidence, including the specification and the other claims. In summary, the Examiner has construed claim 1 to cover the following: (1) a retailer or other party conducting a transaction over the Internet, (2) that same party directly accessing the Sloo system at some later point in time to initiate a dispute, and (3) that same party manually interacting with the Sloo system to enter all dispute information. On this reasoning alone the Examiner cites Sloo in view of Collins as teaching Appellant's claim requirements.

Claims terms are generally given their ordinary meaning.[23] In *Phillips v. AWH Corporation*, the Court addressed the proper interpretation of the "ordinary meaning" of a claim. Specifically, in *Phillips*, the Court made clear that the "ordinary meaning" of a term is the meaning to one of ordinary skill in the art not only in the context of the particular claim but in the context of the entire patent, including the specification.[24]

The Court reiterated that the specification is the "primary basis for construing the claims."[25] While extrinsic evidence, such as dictionaries, can shed useful light on the relevant art, the extrinsic evidence is less significant than the intrinsic record in determining the legally operative meaning of claim language.[26] Extrinsic evidence is generally "less reliable" than intrinsic evidence, such as the specification.[27] According to the Court, when properly viewed, the "ordinary meaning" of a claim term is its meaning to the ordinary artisan after reading the entire patent. Heavy reliance on dictionaries or other extrinsic evidence risks transforming the meaning of a claim term out of its particular context, which is the specification.[28]

Appellant strongly disagrees with the Examiner's construction of claim 1 and conclusions of obviousness with respect to Sloo and Collins. The plain language of claim 1 in view of the intrinsic evidence and the language of other claims requires a different construction of the term "online marketplace" and the steps recited by claim 1

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[23] *Vitronics*, 90 F.3d 1582.
[24] Phillips v. AWH Corporation, No. 03-1269 (Fed. Cir. July 12, 2005) (en banc).
[25] *Phillips*, at 14 (citing Standard Oil Co. v. Am. Cyanamid Co., 774 F.2d 448, 452 (Fed. Cir. 1985).
[26] *Id.* at pg. 18.
[27] *Id.* at pg. 19.
[28] *Id.*

The present application specifically states that the term "marketplace" can be a physical location as a mall or market[29], and then makes clear that with respect to an online environment, the term marketplace refers to "a website such as an online centralized trading place."[30]  In reference to Figure. 1, reproduced above, the present application states that, as a centralized trading place, marketplace 102 facilitates buyers and sellers meeting, listing items for sale, exchanging information, interacting with each other and, ultimately, consummating transactions.[31]  As described in detail in the present application, dispute resolution system 130 assists sellers 104 and consumers 106 in resolving disputes, e.g., disputes related to transactions that occur within marketplace 102.

The present application also provides a specific example of an online marketplace as www.eBay.com, which is a well-known centralized trading place:

> One exemplary person-to-person trading place on the Internet is eBay, located at www.eBay.com.  eBay is a Web-based community in which buyers and sellers are brought together in an efficient auction format to buy and sell items such as antiques, coins, collectibles, computers, memorabilia, stamps and toys.  The eBay service permits sellers to list items for sale, buyers to bid on items of interest and all users to browse through listed items in a fully-automated, topically-arranged online service that is available 24 hours a day, seven days a week.[32]

Thus, the present application makes clear that the term "online marketplace" is a **system** that provides a centralized trading place, and is not an individual human buyer or seller.  As further support, FIG. 1 shows a marketplace 102 separate from a seller 104 and a consumer 106. Further, the present application states that the buyers and sellers communicate with the online marketplace over a network, further supporting the construction that the online marketplace is different from an individual seller or buyer:

> The marketplace 102 and the seller 104 can communicate directly with each other, or can communicate over a network 120.  The network 120 can be a wide area network such as the Internet.  The one or more consumers 106 can communicate with the marketplace 102 and indirectly the seller 104 over the network 120.[33]

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[29] Page 11, ln. 4.
[30] Page 11, ln. 5.
[31] Present Application at pg. 11, ll. 5-8.
[32] Page 11, ll. 11-17.
[33] Page 11, ll.18-24

As further support, Figure 2B and the related description describe software objects that reside in a partner's system, such as marketplace 102, and allow the marketplace to "integrate with" the dispute resolution system. Figure 2B shows the partner system, e.g., the online marketplace, as having its own partner database 164. Thus, the intrinsic evidence leaves little doubt that the term "online marketplace" should be construed as an electronic system, such as a website, that provides a centralized trading place for buyer and seller.

Moreover, the plain language of claim 1 requires this construction. Claim 1 specifically uses the term "online marketplace" separately from the term "parties." If Appellant meant the term "online marketplace" to mean an individual buyer or seller that had at some time been involved in commerce, i.e., a party, then Appellant would not have used different terms. As further evidence, claim 1 requires electronically providing access to an online dispute resolution system to initiate a filing of the dispute *from* an online marketplace. Use of the term "from" in this case is consistent with the construction that the online marketplace is an electronic system that provides a trading place and not an individual that conducts commerce, as interpreted by the Examiner.

Further, the language of claim 1 requires electronically providing access to a dispute resolution system to allow a party to initiate filing a dispute from the online marketplace. That is, claim 1 requires that the party initiate the filing of the dispute from the online marketplace itself and not at some later time by interaction with a stand-alone dispute resolution system. This feature is described in the present application with respect to a seller interacting directly with a web page provided by the online marketplace, as a partner system, to allow a seller or buyer initiates the filing of the dispute. Specifically, FIG. 6 illustrates a complaint pre-filing process by which a seller or buyer initiates a dispute. Step 240 is shown as a web page in FIG. 6, is specifically labeled <Partner> indicating that the page is provided by the partner system. This web page of the partner system is shown as specifically including a hyperlink File Dispute. In response, the online dispute resolution system provides a complaint wizard as described on pp. 16-17 of the present application in reference to FIG. 6. At various points through the process of FIG. 6 the user is returned from the dispute resolution system to the partner system. See, e.g., pages 286 and 288 with hyperlinks back to the partner system.

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Claim 1 also requires an entirely different step of receiving from at least one of the parties information related to the dispute. That is, the separate act of receiving data directly from the parties is expressly recited as a separate step within claim 1. This further provides strong evidence against construing the first step of claim 1 to cover this same act.

Consistent with the features set forth in the specification, claim 1 literally requires that the party initiate the filing of the dispute from the electronic marketplace itself. The use of two separate terms for party and marketplace, the specific language requiring that the party initiate filing a dispute *from the online marketplace*, and the explicit recitation of an additional step of receiving information from the parties related to the dispute preclude construction of claim 1 to cover the scenario envisioned by the Examiner with respect to the cited prior art.

Further the dependent claims also make clear that the term "online marketplace" is a system that provides a centralized trading place and not an individual buyer or seller. For example, claim 111 requires that the online marketplace and the dispute resolution system have separate databases. Thus, in view of the plain language of claim 1, the plain language of dependent claims and the intrinsic evidence, proper construction of the term "online marketplace" is a system that provides a centralized trading place for buyers and sellers.

For at least these reasons, the Examiner's construction of claim 1 is erroneous. Consequently, contrary to the Examiner's assertions, an individual or entity that may have been previously involved in some form of commerce and later manually submits a complaint to the standalone Sloo or Collins complaint handling systems does not teach or suggest Appellant's claim requirement that disputes can be initiated from the online marketplace itself (electronically providing access to an online dispute resolution system to allow at least one of the parties to initiate a filing of the dispute from an online marketplace, as required by claim 1).

Similarly, contrary to the Examiner's assertion, an individual or entity that may have been previously involved in some form of commerce and later submitting a complaint to the standalone Sloo or Collins complaint handling systems fails to teach or suggest that transaction data is actually electronically communicated from the online marketplace itself to the online dispute system (electronically receiving with the online dispute resolution system transaction data from the marketplace, wherein the transaction data describes transactions within the marketplace, as further required by claim 1). The Examiner expressly argues that the claim elements of

electronically receiving transaction data from an online marketplace of claim 1 cover an individual previously involved in commerce and later manually entering data directly into the Sloo complaint system.[34] The Examiner's construction of claim 1 is incorrect, and the Examiner's conclusion of obviousness based on that construction is erroneous. Proper construction the term "online marketplace" is a system that provides a centralized trading place, and claim 1 requires providing accesses to an online dispute resolution system so that disputes can be *initiated from an online marketplace itself* and that *transaction data is provided from the online marketplace* to the online dispute system.

At the end of the analysis of claim 1, the Examiner correctly recognizes that Sloo fails to describe an "electronic marketplace" and that the Sloo system does not utilizes a portion of the transaction data from an electronic marketplace.[35] The Examiner makes a passing reference to Collins, stating that Collins teaches a dispute resolution system and that one party "may be a merchant" and the transaction "may arise in connection with a transaction that occurred over the Internet." Thus, with respect to Collins, the Examiner continues to misconstrue Appellant's claim 1 to cover an individual "merchant" that manually enters all data into a dispute resolution system. As described above, Collins makes clear that the parties manually enter all data describing a "situation." Like Sloo, the Collins dispute resolution system is a standalone system that in no way integrates with an online marketplace as claimed by the Applicant.

For at least these reasons, the Examiner's construction of claim 1 is incorrect, and the Examiner's conclusion of obviousness over Sloo in view of Collins based on that construction is erroneous.

**Independent claim 112**

The Examiner's erroneous construction of certain terms of Appellant's claims and erroneous conclusions based thereon are even more apparent with respect to claim 112. Claim 112 is directed to an online dispute resolution system that electronically receives transaction data from a marketplace that provides a web-based community having buyers and sellers of goods and services. Like claim 1, claim 112 uses the term "marketplace" separately from the terms

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[34] Office Action at pg. 5.
[35] Office action dated September 23, 2005, pg. 7.

"buyers" and "sellers." Moreover, the language of claim 112 expressly requires that the "marketplace" provide a "web-based community having buyers and sellers of goods and services." Thus, in view of the plain language of claim 112 and the intrinsic evidence discussed above, proper construction of claim 112 requires that the marketplace is an online system that provides a web-based community for buyers and sellers.

Claim 112 further requires that the dispute resolution system execute software that utilizes the transaction data and apply a dispute resolution process to assist the buyers or sellers in resolving disputes relating to the transactions. Finally, claim 112 requires that the online dispute resolution system electronically provide status data to the marketplace based on participation of the buyers or sellers within the online dispute resolution process.

In the Office Action, the Examiner argues that Sloo in view of Collins teaches an online dispute resolution system that electronically receives transaction data from a marketplace that provides a web-based community having buyers and sellers of goods and services. The Examiner construes Appellant's claim element of "an online dispute resolution system that electronically receives transaction data from a marketplace that provides a web-based community having buyers and sellers of goods and services" to include any individual or entity that may have at some time been previously involved in a form of commerce on the Internet.[36] The Examiner then argues that the requirements of Appellant's claim 112 are obvious because Sloo in view of Collins teaches a retailer conducting a transaction over the Internet and then subsequently manually accessing the standalone Sloo complaint handing system and filing a dispute. For example, on page 9 of the Office Action, the Examiner expressly states that she is interpreting this requirement of Appellant's claim to include a retailer that accesses the Sloo dispute resolution system and manually enters transaction data.

The Examiner similarly construes the requirement of claim 112 that the online dispute resolution system electronically provides status data to the marketplace so as to encompass a retailer accessing the Sloo dispute resolution system and merely viewing complaints and response.

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[36] Office Action at pg. 8.

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Thus, it is evident that the Examiner is construing the language of "a marketplace that provides a web-based community having buyers and sellers of goods" as a retailer that at some point conducted commerce over the Internet.

Appellant strongly disagrees with the Examiner's construction of claim 112 and conclusions with respect to Sloo and Collins for reasons set forth above with respect to claim 1. Like claim 1, claim 112 uses the term "marketplace" separately from the terms "buyers" and "sellers." Moreover, the language of claim 112 expressly requires that the "marketplace" *provide a web-based community*. Thus, in view of the plain language of claim 112, the term "marketplace" does not include a retailer or any other individual or entity. The term marketplace is an electronic system that provides a web-based community for buyers and sellers. A retailer is not a system capable of providing a web-based community. The literal language of claim 112 requires proper construction of a marketplace as an online system that provides a web-based community for buyers and sellers.

As discussed above, this construction is consistent with the intrinsic evidence and the dependent claims. The present application describes an online marketplace as "a website such as an online centralized trading place."[37] The present application gives a specific example of an online marketplace as www.eBay.com, which is a well-known centralized trading place. The present application makes clear that the online marketplace is a system, and is different from the individual buyers and sellers that interact with the website or centralized trading place. FIG. 1 shows a marketplace 102 separate from a seller 104 and a consumer 106. Further, the present application states that the buyers and sellers communicate with the online marketplace over a network, further supporting the construction that the online marketplace is not an individual seller or buyer. Dependent claim 115 requires that the online dispute resolution system and the marketplace have separate databases, a specific structural feature of an electronic system. Thus, in view of the plain language of claim 112 and the intrinsic evidence discussed above, proper construction of claim 112 requires that the marketplace is an online system that provides a web-based community for buyers and sellers.

Claim 112 specifically states that the marketplace provides a web-based community of buyers and sellers, and that the online dispute resolution system receives the transaction data

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[37] Page 11, ln. 5.

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from that marketplace that provides the environment. Thus, the Examiner's reading of Appellant's claim 112 on the standalone Sloo system that requires manual access and entry of transaction data is unreasonable.

Further, Appellant's claim 112 requires that the online dispute resolution system electronically provide status data back to the marketplace based on participation of the buyers or sellers within the online dispute resolution process. As described in the present application on pages 13-14, in a second embodiment, software objects executing in a partner system provide integrated functionality to receive and send specific information to the dispute resolution system. The partner system can query the dispute resolution system data to receive status of a particular marketplace seller. Based on the status, the partner system can provide visual indicia that a seller in a transaction has membership in the dispute resolution system.

In summary, the Examiner's construction of many of the terms of claim 112 is incorrect based on the plain language of the claims and the context provided by the intrinsic evidence. For example, the Examiner is erroneous in concluding that the requirements of claim 112 that the online dispute resolution system electronically provide status data to the marketplace is obvious over Sloo in view of Collins based on her reasoning that Sloo describes a retailer manually accessing the Sloo dispute resolution system and viewing complaints and response. An individual user manually accessing the Sloo system does not constitute electronically providing status from a dispute resolution system to a marketplace, as required by claim 112, merely because that user may be a retailer.

### Dependent claims 111 and 115

Claim 111 requires that the online dispute resolution system and the marketplace have separate databases, and the claim further comprises automatically electronically communicating the transaction data between the database of the online dispute resolution system and the database of the electronic marketplace. Thus, claim 111 provides further evidence that the proper construction of the term "marketplace" is a system and not an individual since claim 111 requires that the marketplace have a database. Moreover, claim 111 specifically requires that the database of the marketplace and the database of the online dispute resolution system electronically communicate transaction data.

Claim 115 requires that the online dispute resolution system and the marketplace have separate databases, and that the online dispute resolution system includes a *data manager software* application to automatically communicate data between the database of the online dispute resolution system and the database of the electronic marketplace.

These requirements can be mapped to Figures 1 and 2B of the present application. For example, with respect to Figure 2B, the present application states that the online dispute system 130 communicates with partner databases 164, and that partner data for relevant transactions in dispute can be electronically communicated from marketplace 102 to dispute resolution system 130 by way of remote software objects executing within the marketplace and the data manager 162 executing within the online dispute resolution system 102.[38]

In the Office Action, the Examiner states that Appellant's claim 111 is obvious over Sloo in view of Collins based on the sole reason that Collins teaches that one of the users accessing the standalone Collins system of Figure 1A may be a merchant and that the transaction being disputed may have occurred over the Internet.[39] Thus, the Examiner argues that manual entry by a user into the standalone Collins system teaches Appellant's requirement of automatically electronically communicating transaction data between a database of the online dispute resolution system and a database of an electronic marketplace.

At the end of her analysis, the Examiner ultimately concedes that neither Sloo nor Collins even describes a marketplace that maintains a database having transaction data concerning customers and transactions.[40] However, the Examiner summarily states that, even though no cited reference teaches these elements, it would be nevertheless obvious to one of ordinary skill in the art to "incorporate into the complaint handling systems of Sloo and Collins a marketplace with a database so as to provide the marketplace with transaction data concerning customers and transactions."[41] Not only is this conclusion unsupported by any substantial evidence of record, as is required, but the conclusion is contrary to the Examiner's own construction of the term marketplace. As demonstrated thoroughly above, the Examiner has rejected Appellant's claim by erroneously construing the term "online marketplace" to cover any individual that has

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[38] Present application at pp. 13-14.
[39] *See, e.g.*, pg. 11 (the Examiner rejecting claim 111 and stating that the customer may have a dispute with a merchant regarding a transaction occurring over the Internet.)
[40] Office Action at pg. 27, ll.1-3.
[41] Office Action at pg. 27.

previously conducted a transaction in commerce over the Internet and that is accessing the standalone completing handling system of Sloo or Collins.

With respect to claims 111 and 115, the Examiner does not cite any evidence whatsoever as to how it would be obvious to one of ordinary skill in the art to incorporate a marketplace database into the Sloo or Collins complaint handling systems and automatically communicate transaction data from that marketplace database to the online dispute resolution system database, as required by claims 111 and 115. The Examiner has introduced no evidence that teaches or suggests a data manager software application that performs these functions. Morevoer, if the "online marketplace" is construed as a user that manually enters data into the complaint handling systems of Sloo or Collins, as argued by the Examiner with respect to claims 1 and 112, then incorporation of a marketplace database and integration with an online dispute resolution system is nonsensical.

Finally, the Examiner cites *Collegenet, Inc. v. Applyyourself, Inc.* for the holding that the term "automatically" means "without human interaction, but may be human initiated or interrupted." Appellant points out that construction of claim terms are based on claim language and intrinsic evidence, and a Court does not provide a "holding" with respect to a claim term generally. Moreover, the holding cited by the Examiner actually cuts entirely against the Examiner's rejection of claims 111 and 115. The Examiner has cited Sloo in view of Collins and acknowledged that in both systems the user manually enters **all** transaction data into the complaint handling systems. To the extent the court held in Collegenet that "automatically" means "without human interaction, but may be human initiated" then clearly neither Sloo nor Collins can be considered automatic. In Sloo and Collins, the user does not merely "initiate" entry of transaction data. To the contrary, the user performs the **entire** function of entering **all** of the transaction data. Thus, even by the Examiner's construction of the term "automatically," Sloo in view of Collins fails to teach or suggest automatically electronically communicating the transaction data between the database of the online dispute resolution system and the database of the electronic marketplace, as required by claims 111 and 115. There is nothing automated by a user having to enter all of the transaction data, and neither Sloo nor Collins describe any other system that automatically provided at least a portion of the transaction data to the complaint handling system. Contrary to the Examiner's assertion, the mere fact that a user enters the

transaction data into the Sloo or Collins resolution system does not mean the transaction data is "automatically communicated" at all.

For at least these reasons, Appellant maintains that Sloo in view of Collins fails to teach or suggest automatically electronically communicating the transaction data between a database of the online dispute resolution system and a database of the electronic marketplace, as required by claims 111 and 115.

**Dependent claims 110 and 113**

Appellant's claims 110 and 113 require automatically initiating enrollment in an online dispute resolution system in response to requests received from an online marketplace. None of the cited prior art, either singularly or in combination, teaches or suggests an online dispute resolution system capable of receiving enrollment requests from an online marketplace, let alone automatically initiating enrollment in the online dispute resolution system in response to the requests received from the online marketplace.

In rejecting claims 110 and 113, the Examiner cites 0046 and 0047 of Collins without any further comment. Paragraph 0046 of Collins states in part:

> *Fig. 2 is a flow chart showing the steps taken by parties in communication with a central processor to begin a negotiation. Step 300 begins the negotiation initialization. This stage might also be called the registration stage, as it includes identification of relevant parties and determination of eligibility to participate. Following the registration stage, the method proceeds to Step 400 which involves issue definition and clarification. At this stage, the parties define the situation in terms of one or more issues. The issues are defined by the server process which first presents a template containing general issues from a database to the parties. Based on the issues selected by the parties the server process selects narrower issues from the database refining the original issues to more specific issues. The issues are also clarified by the parties to ensure that there is agreement regarding which issues must be resolved in order to reach an agreement ... .*[42]

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[42] Collins at [0046] (emphasis added).

The Examiner's argument fails for at least two reasons. First, sections 0046 and 0047 describe a negotiation process, and the only portion even relevant to initiating enrollment is step 300 that merely mentions that the relevant parties are identified and their eligibility to participate is determined. Thus, Collins does not describe any form of "automatic enrollment" at all.

Second, as clear from the passage cited above, the *parties* manually access the Collins dispute handling system and enter information. Thus, the cited section does not describe any form of enrollment request received communicated *from an online marketplace*. To the contrary, Collins describes a stand-alone process in which the parties interact directly with the complaint handling system to file a dispute and enter position data. The Examiner has again erroneously construed Appellant's claims to cover any user manually entering information into a standalone system. For at least these reasons, Sloo in view of Collins fails to teach or suggest automatically initiating enrollment in an online dispute resolution system in response to requests received from an online marketplace, as required by claims 110 and 113. Appellant respectfully requests reversal of the rejection of claims 110 and 113 under 35 U.S.C. 103(a) as being unpatentable over Sloo in view of Collins et al.

**Dependent claims 2, 64 and 93**

Appellant's claim 2 requires automatically *selecting* one of two modes of resolving the dispute, the first mode requiring the online dispute resolution process being driven by an electronic agent to assist the parties in resolving the dispute and the second mode involving a human dispute resolution specialist. Claim 64 requires a database to store facts and outcomes of previously resolved disputes, and a server that receives case information related to the dispute and compares the case information to the facts of previously resolved disputes stored by the database *to produce a result for use in selection of a mode* of resolving the dispute, and *presents a result of the comparison to the parties* via the network. Claim 93 requires a different embodiment in which the server compares the case information to facts of previously resolved disputes to *automatically select* a resolution mode comprising one of (i) a direct negotiation mode, (ii) a conciliation mode, and (iii) mediation mode.

In the Office Action the Examiner did not establish that Sloo in view of Collins suggests a database to store facts and outcomes of previously resolved disputes, and a server that

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compares case information to the facts of previously resolved disputes stored by the database to produce a result for use by the parties in selection of a mode of resolving the dispute, as required by claims 2 and 64. Similarly, the Examiner failed to establish that Sloo in view of Collins teaches or suggests a server that compares the case information to facts of previously resolved disputes to *automatically select* a resolution mode, as required by claim 93.

The Examiner's argument can be summarized as: (1) Sloo teaches a dispute resolution system having at least two modes, (2) the first mode is driven by an automatic negotiator to automatically resolve the dispute, and (3) the second mode involving a human dispute resolution specialist.[43]

Thus, the Examiner's argument fails to address or even comment on the requirements of comparing facts to previously resolved disputes to produce and display a result for use by the parties *in selection of the resolution mode*. The Examiner merely points to separate modes of the Sloo system, i.e., the description that Sloo may use artificial intelligence to be "automated" or that a judge or jury may be used. The Examiner has failed to address the particular requirement of a server that compares facts to previously resolved disputes to produce and displays a result *for use by the parties in selection of the resolution mode*. The Examiner's argument only establishes that Sloo supports more than one mode of resolution, not that Sloo provides any of Appellant's claimed features for assisting the users in selection of the mode or for automatically selecting the mode.

In a previous Office Action dated September 12, 2003, the previous Examiner correctly recognized and admitted on the record that Sloo fails to disclose automatically selecting one of two modes of resolving the dispute based on the result from a case-based reasoning system, as required by claim 2. Similarly, in that Office Action, the previous Examiner correctly recognized and admitted on the record that Sloo does not disclose a database to store facts and outcomes of previously resolved disputes, and a server that compares case information to the facts of previously resolved disputes stored by the database to produce a result for use in selection of a mode of resolving the dispute, as required by claim 64. Nevertheless, the current Examiner arbitrarily rejected the Appellant's claim 2 and 64 under 102(e) in view of Sloo even though this

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[43] Office Action at pg. 12.

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rejection has been previously addressed and overcome.[44]  Appellant respectfully requests reversal of the rejection of claims 2 and 64 under 35 U.S.C. 103(a) as being unpatentable over Sloo in view of Collins.

**Appellant's 132 Declaration**

With respect to the first ground of rejection, the Examiner found Appellant's 132 declaration submitted June 13, 2003 insufficient to overcome the rejections under 103(a). Appellant's 132 Declaration was entered in the record on June 23, 2003, a copy of which is set forth below in the Evidence Appendix. In the Appellant's 132 Declaration, the Appellant set forth substantial evidence demonstrating commercial success having a direct nexus with Applicant's claims of an online dispute resolution system integrated with an online marketplace.

The Examiner first concludes that, without providing any factual bases or supporting case law, any declaration by the Declarant would be per se biased because the Declarant has a "financial interest in the grant of the patent on this invention."[45] This is prejudicial action by the Examiner is erroneous and, if true, any declaration by an inventor or by an employee of an assignee of a patent application would be per se biased.

Second, the Examiner asserts that the Declarant failed to link the alleged commercial success to the claims. Appellant disagrees. The Declarant provided numerous facts evidencing the significant success and magnitude of disputes (50,000 per month) handled by SquareTrade as the first commercial online dispute resolution system *capable of integration with an online marketplace*, eBay (the world's largest online marketplace). For example, items 26-29 of the declaration provide the following relevant evidence that demonstrates commercial success of automated integration between a marketplace (eBay in this case) and a dispute resolution system:

26. The SquareTrade system filled this gap by providing an accessible, practical, neutral and affordable mechanism to resolve disputes anywhere in the world, and was the first to integrate such a solution into an online marketplaces and e-commerce in a scalable and extensible manner.

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[44] *See* Office Action dated April 25, 2002 and response thereto.
[45] Office Action dated September 23, 2005, pg. 31.

27. The SquareTrade system has handled over 500,000 disputes since its February 2000 launch, and is currently handling over 50,000 new disputes a month and concurrently managing over 20,000 active cases at any given time. Illustrating global access, this includes disputes across 100 countries in 5 languages.

28. SquareTrade was selected by the World Economic Forum as one of the top 100 global technology pioneers in 2000 and 2001 (recognizing excellence in deploying new technologies to address global social issues)

29. In January 2003, SquareTrade was awarded CPR Institute for Dispute Resolution's 2002 Outstanding Practical Achievement Award based on the SquareTrade System. This is likely the most prestigious national award in the Dispute Resolution field and is awarded by a panel of the General Counsels of some of the largest US companies. http://www.cpradr.org/awards-2002.htm

As illustrated by the Declarant, these facts of commercial success are directly linked to this integration, and thereby very relevant to and having a direct nexus to the subject matter in the claim language of claims 1 and 112 when the claim language is properly construed, as discussed above. Appellant submits that the Declaration offers substantial evidence of commercial success having a direct nexus with Appellant's claimed invention.

Third, the Examiner asserts that Appellant has failed to provide any evidence as to the allegation of long felt need. Appellant again disagrees. Sections 28 and 29 (cited above) provide considerable evidence of industry awards and recognition for deploying new technologies to address global social issues. This factual evidence is indisputable and overlooked by the Examiner.

Fourth, the Examiner stated that the Appellant has "failed to provide any objective evidence supporting patentability of the invention." This statement is inconsistent with the evidence of secondary considerations set forth by the declaration that illustrate both commercial success and industry recognized innovation of the invention. The nature and considerable amount of evidence and secondary considerations offered in the submitted declaration is directly relevant to the issue of non-obviousness before the Examiner. The Examiner failed to give "substantial weight" to this evidence, as set forth by the Supreme Court.

For at least the reasons set forth above, Appellant respectfully requests reversal of the First Ground of Rejection. Appellant submit that claims 1-17, 20-22, 25-27, 64-73, 93-99, 100, 109, 110-113, and 115 are in condition for allowance and respectfully request reversal of the rejections under 35 U.S.C. § 103(a).

## The Second Ground of Rejection to be Reviewed on Appeal (*Claims 28-31, 114 and 117*)

In the Office Action, the Examiner rejected claims 28-31, 114 and 117 under 35 U.S.C. § 103(a) as being unpatentable over Sloo in view of TRUSTe. For purposes of this appeal, Appellant limits review to dependent claim 30.

**Dependent claim 30**

Appellant's claim 30 requires communicating membership data from the online dispute resolution system to the online marketplace, and automatically showing a visual indicia within the marketplace to indicate the availability of the dispute resolution system and the membership of buyers or sellers in the dispute resolution process.

As described in the present application, software objects executing within a partner system (e.g., the online marketplace 102) provide functionality to receive and send specific information to and from the dispute resolution system.[46] According to the present application, the partner system can query the dispute resolution system data to receive status of a particular marketplace seller. Based on the status, the partner system can provide visual indicia that a seller in a transaction has membership in the dispute resolution system. Appellant further describes how, upon enrolling a seller and updating a membership database, a process executing within the dispute resolution system sends visual indicia such as a graphical medallion to the online marketplace to be displayed by the partner system.[47]

In rejecting claim 30, the Examiner recognizes that neither Sloo nor Collins teaches or suggest these features. Nevertheless, the Examiner rejects claim 30 in view of TRUSTe. TRUSTe is a non-profit organization that maintains a membership database of sites that agree to comply with certain requirements. Each member is then awarded a "trustmark" for display on its

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[46] *See, e.g.,* Figure 2B, pp. 13-14.
[47] Present application at pg. 15, ll. 20-22.

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site. The Examiner argues that: (1) TRUSTe describes a membership directory, and (2) a member agrees to display the TRUSTe "trustmark" on its website.[48] Thus, the Examiner's argument is that Appellant's claim 30 is taught by TRUSTe's description of a company agreeing to manually update its site to display the TRUSTe trustmark.

This argument fails for at least two reasons. First, the Examiner's reasoning entirely overlooks the requirement of communicating membership data from the online dispute resolution system to an online marketplace. Nowhere do any of the references teach or suggest a dispute resolution system capable of communicating membership data back to an online marketplace. Sloo and Collins are standalone systems incapable of communicating membership data to another system, and TRUSTe provides no such teaching.

Second, the Examiner's reasoning fails to address Appellant's claim requirement that the visual indicia is then *automatically shown* in the marketplace to indicate the availability of the dispute resolution system and the membership of buyers or sellers in the dispute resolution process. The Examiner merely argues that TRUSTe awards their trustmark to a site, which in turn agree to display the trustmark. The error of this reasoning is self evident. A site agreeing to display a trustmark does not teach or suggest "*automatically showing a visual indicia within the marketplace*" as required by claim 30. Even according to the Examiner's own construction of the term "automatically" in view of *Collegenet, Inc. v. Applyyourself, Inc.*, manually updating a site to display a TRUSTe trustmark does not teach or suggest showing visual indicia without human interaction. To display the TRUSTe trustmark, the entire process of updating the site must be performed by a user, and no portion of this process is automated based on membership data received from a dispute resolution system.

For at least the reasons set forth above, Appellant respectfully requests reversal of the rejections of claims 30 and 31 under 35 U.S.C. § 103.

### The Third Ground of Rejection to be Reviewed on Appeal (*Claim 108*)

The Examiner rejected claim 108 under 35 U.S.C. § 103(a) as being unpatentable over Sloo in view of Slaikeu. Claim 108 depends from independent method claim 1 and requires: training a dispute resolution specialist by requiring the dispute resolution specialist to experience

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[48] Office Action at pg. 30.

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transactions within online marketplaces including at least an auction site; outputting simulated online dispute resolution cases to the dispute resolution specialists via the computer network to assess the skills of the dispute resolution specialists; and assigning online disputes to the dispute resolution specialists only upon completion of the training and successful resolution of the simulated online dispute resolution cases.

In rejecting claim 108, the Examiner recognizes that Sloo fails to teach or suggest any of these elements.[49] The Examiner states Slaikeu "teaches training a dispute resolution specialist" and takes Official Notice of all of the other elements of claim 108. The Examiner has provided no substantial evidence to substantiate the conclusion of obviousness with respect to the claim requirements of outputting simulated online dispute resolution cases to the dispute resolution specialists via the computer network to assess the skills of the dispute resolution specialists. The Examiner makes a vague reference to "online CLE classes and [sic] online graduate classes and testing." The Examiner has provided no evidence that CLE classes or online graduate classes require dispute resolution specialists to *experience transactions within an auction site*, or output *simulated* online dispute resolution cases to assess the skills of a dispute resolution specialist. Moreover, the Examiner has not provided any substantial evidence that any of these systems were known in the art prior to Appellant's priority date.

Further, Appellant points out that the Examiner is permitted to take official notice of facts outside of the record only when those facts are capable of "instant and unquestionable demonstrations as being well-known."[50] Moreover, when a rejection
is based on facts within the personal knowledge of the examiner, the data should be stated as specifically as possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner. Such an affidavit is subject to contradiction or explanation by the affidavits of the Appellant and other persons.[51] The Examiner has not submitted any affidavit to support her personal knowledge.

For at least the reasons set forth above, Appellant respectfully request reversal of the rejections of claim 108 under 35 U.S.C. § 103.

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[49] Office Action at pg. 27.
[50] *See* MPEP 2144.02, quoting In re Ahlert, 424 F.2d 1088, 1092, 165 USPQ 418, 420 (CCPA 1970).
[51] *See* 37 CFR 1.104(d)(2).

## The Fourth Ground of Rejection to be Reviewed
## on Appeal (*Claims 111 and 115*)

In the Office Action, the Examiner introduced a new ground of rejection and asserted that claims 111 and 115 fail to comply with the written description requirement under 35 U.S.C. 112, first paragraph.

To satisfy the written description requirement, a patent specification must describe the claimed invention in sufficient detail that one skilled in the art can *reasonably conclude* that the inventor had possession of the claimed invention.[52] This issue is usually phrased as whether the application has "adequate support" for the claimed invention. With respect to newly added claims, i.e., claims not found in the original disclosure, claim limitations can be satisfied through express, implicit or even inherent disclosure.[53]

A description as filed is presumed to be adequate, unless or until sufficient evidence or reasoning to the contrary has been presented by the examiner to rebut the presumption.[54] Moreover, the examiner has the initial burden of presenting by a preponderance of evidence why a person skilled in the art would not recognize in an Appellant's disclosure a description of the invention defined by the claims.[55] In rejecting a claim, the examiner must set forth express findings of fact regarding the above analysis which support the lack of written description conclusion. The Examiner must: (A) identify the claim limitation at issue; and (B) establish a prima facie case by providing reasons why a person skilled in the art at the time the application was filed would not have recognized that the inventor was in possession of the invention as claimed in view of the disclosure of the application as filed.[56]

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[52] *See, e.g.*, Moba, B.V. v. Diamond Automation, Inc., 325 F.3d 1306, 1319, 66 USPQ2d 1429, 1438 (Fed. Cir. 2003); Vas-Cath, Inc. v. Mahurkar, 935 F.2d at 1563, 19 USPQ2d at 1116.
[53] *See* MPEP 2163 Guidelines for the Examination of Patent Applications Under the 35 U.S.C. 112, para. 1, "Written Description" Requirement, pg. 5.
[54] *See, e.g.*, In re Marzocchi, 439 F.2d 220, 224, 169 USPQ 367, 370 (CCPA 1971)
[55] *Wertheim*, 541 F.2d at 263, 191 USPQ at 97.
[56] See MPEP 2163 Guidelines for the Examination of Patent Applications Under the 35 U.S.C. 112, para. 1, "Written Description" Requirement, pg. 18.

Before addressing claims 111 and 115, Appellant notes that in the present Office Action, the Examiner made nothing more than a general allegation that she was unable to find support for certain claim elements. This alone is insufficient to establish a prima facie case by presenting a preponderance of evidence. Appellant now addresses specific requirements of claims 111 and 115 identified by the Examiner.

With respect to claims 111 and 115, the Examiner asserted that she was unable to find support for the limitation of "wherein the online dispute resolution system and the marketplace have separate databases," and the limitation of a data manager software application to automatically electronically communicate the transaction data between the database of the online dispute resolution system and the database of the electronic marketplace."[57]

Contrary to the Examiner's assertions, these elements are supported throughout the present application. As a starting point, FIG. 1 shows a marketplace 102 separate from dispute resolution system 130. FIG. 2B shows an embodiment 150 of the dispute resolution system in which the dispute resolution system integrates with a business partner's system, such as the online marketplace 102.
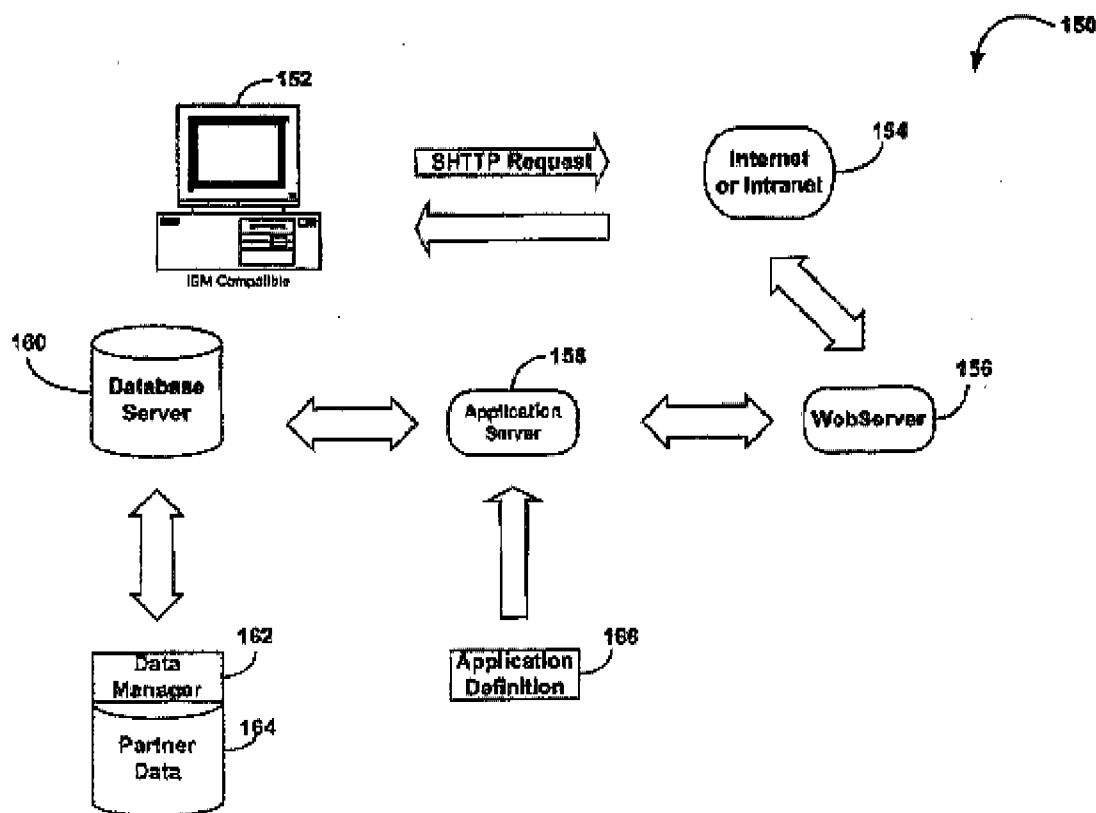
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[57] Office Action, pg. 3.

**FIG. 2B**

Pages 13-14 of Appellant's application state that a server 158 of dispute resolution system 150 receives data from a set of remote objects that reside in the partner's system 166. These objects provide functionality to receive and send specific information to the dispute resolution system 130. According to the present application, the objects will "**transparently deal with communication issues**" including server unavailability and performance. Example functionality includes informing the dispute resolution system 130 of relevant "partner transactions" and allowing partners to query the dispute resolution system data such as the status of a specific marketplace seller 104.

In 0048, the present application **further states that** a structured query language (SQL) server 160 of the dispute resolution system 150 communicates with a data manager 162, which in turn communicates with one or more partner databases 164.

Thus, the present application provides adequate support for the claim limitation that "the online dispute resolution system and the marketplace have separate databases." As demonstrated above, Figure 2B and the related disclosure describe online dispute resolution system 150 as

having a SQL database 160 and partner systems, such as marketplace 102, as having partner databases 164.

Moreover, the present application provides adequate support for the limitation of a data manager software application to automatically electronically communicate the transaction data between the database of the online dispute resolution system and the database of the electronic marketplace. Data manager 162 is described with respect to FIG. 2B as communicating with one or more of the partner databases 164. Moreover, the present application makes clear that remote objects executing within the partner system and data manager 162 of online dispute resolution system 160 allow integration in a manner that "transparently deal[s] with communication issues" between the partner system and the online dispute system. According to the present application, the remote objects within the partner system and the data manager 162 of the online dispute *transparently deal* with communication of data between the partner database 164 and database server 160 of the online dispute resolution system.

Further, the present application states that server 158 of the online dispute resolution system 150 "receives data" from the remote objects executing with the partner system. One specific example of data sharing provided by the present application is the "functionality of informing the dispute resolution system 130 of relevant partner transactions." Based on at least this disclosure, one skilled in the art would reasonably conclude that the Appellant was in possession of the claimed subject matter of automatically electronically communicating the transaction data between the database of the online dispute resolution system and the database of the electronic marketplace.

For at least these reasons, Appellant submits that claims 111 and 115 satisfy the written description requirement under 35 U.S.C. 112, first paragraph.

## Conclusion of Arguments

In view of Appellant's arguments, claims 1-17, 20-22, 25-31, 64-73, 93-100 and 108-117 are in condition for allowance. Rejection is improper and should be reversed.

Respectfully submitted,

Date:

_August 6, 2007_

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# APPENDIX:  CLAIMS ON APPEAL

Claim 1  (Previously Presented):  A method for resolving an electronic commerce dispute involving one or more parties, comprising:

electronically providing access to an online dispute resolution system to allow at least one of the parties to initiate a filing of the dispute from an online marketplace;

electronically receiving with the online dispute resolution system transaction data from the marketplace, wherein the transaction data describes transactions within the marketplace;

receiving from at least one of the parties information related to the dispute; and

executing software with the online dispute resolution system to apply an online dispute resolution process that utilizes at least a portion of the transaction data from the market place and the information to assist the parties in resolving the dispute.

Claim 2  (Previously Presented):  The method of claim 1, further comprising automatically selecting one of two modes of resolving the dispute, the first mode requiring the online dispute resolution process being driven by an electronic agent to assist the parties in resolving the dispute and the second mode involving a human dispute resolution specialist.

Claim 3  (Previously Presented):  The method of claim 109, wherein the case-based reasoning system contains a history file.

Claim 4  (Previously Presented):  The method of claim 3, wherein the history file contains patterns and precedents, further comprising applying the patterns and precedents to generate an outcome prediction.

Claim 5  (Previously Presented):  The method of claim 4, further comprising presenting the outcome prediction to the parties to assist the parties in selecting the mode of resolving the dispute.

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Claim 6  (Previously Presented):  The method of claim 4, wherein the outcome prediction includes one or more likely outcomes and associated probabilities of occurrence.

Claim 7  (Previously Presented):  The method of claim 1, further comprising receiving settlement position from the parties.

Claim 8  (Original):  The method of claim 7, further comprising automatically settling the dispute if the settlement positions satisfy a predetermined criteria.

Claim 9  (Original):  The method of claim 8, wherein the predetermined criteria relates to a monetary settlement position.

Claim 10  (Original):  The method of claim 8, wherein the predetermined criteria relates to a non-monetary settlement position.

Claim 11  (Previously Presented):  The method of claim 2, wherein the dispute resolution specialist resolves the dispute by transitioning from a mediation stage to an arbitration stage.

Claim 12  (Previously Presented):  The method of claim 2, wherein the dispute resolution specialist generates a final recommended resolution.

Claim 13  (Original):  The method of claim 12, wherein the final recommended resolution is accepted by the one or more parties.

Claim 14  (Previously Presented):  The method of claim 12, further comprising creating a contract between the one or more parties stating the willingness to abide by the recommended resolution.

Claim 15  (Previously Presented):  The method of claim 2, further comprising communicating among the parties using a plurality of communication modes.

Claim 16 (Previously Presented): The method of claim 15, wherein the communication modes include a public messaging mode in which communication is automatically shared between all of the parties and the dispute resolution specialist, and a private messaging mode in which communication for a given one of the parties is automatically shared only between that one of the parties and the dispute resolution specialist.

Claim 17 (Original): The method of claim 15, wherein the communication mode is selected by the dispute resolution specialist.

Claims 18-19 (Cancelled).

Claim 20 (Previously Presented): The method of claim 1, further comprising providing visual cues when applying the dispute resolution process to automatically highlight agreements between the parties.

Claim 21 (Original): The method of claim 20, further comprising visually highlighting areas of agreement and disagreement.

Claim 22 (Previously Presented): The method of claim 1, further comprising storing status data on participation of the parties in the dispute resolution process.

Claims 23-24 (Cancelled).

Claim 25 (Previously Presented): The method of claim 22, wherein the data relates to compliance of a participant to a result of the resolution of the dispute.

Claim 26 (Previously Presented): The method of claim 22, further comprising:
    communicating the status data from the dispute resolution system to the marketplace; and
    highlighting an offender based on the status information.

Claim 27 (Previously Presented): The method of claim 2, further comprising providing a market-based system for assigning the dispute resolution specialist to a particular dispute.

Claim 28 (Previously Presented): The method of claim 1, wherein the dispute resolution is provided as an insurance covering the transactions.

Claim 29 (Previously Presented): The method of claim 28, further comprising requiring a seller associated with the marketplace to be a registered subscriber to the online dispute resolution system before the transactions are insured.

Claim 30 (Previously Presented): The method of claim 1, further comprising:

communicating membership data from the online dispute resolution system to the marketplace; and

automatically showing a visual indicia within the marketplace to indicate the availability of the dispute resolution system and the membership of buyers or sellers in the dispute resolution process.

Claim 31 (Previously Presented): The method of claim 30, wherein the visual indicia is a medallion that is a visible symbol of trust to increases the confidence of the buyers or the sellers in executing transactions within the marketplace.

Claims 32-63 (Cancelled).

Claim 64 (Previously Presented): The system of claim 112, wherein the online dispute resolution system further comprises:

a database to store facts and outcomes of previously resolved disputes; and

a server that receives case information related to the dispute and compares the case information to the facts of previously resolved disputes stored by the database to produce a result for use in selection of a mode of resolving the dispute, and presents a result of the comparison to the parties via the network.

Claim 65 (Previously Presented): The system of claim 64, wherein the server searches the database to identify previously resolved disputes with facts that are similar to the case information.

Claim 66 (Previously Presented): The system of claim 65, wherein the server presents the result of the comparison by presenting the outcomes of identified previously resolved disputes.

Claim 67  (Previously Presented):  The system of claim 66, wherein the server summarizes the outcome of identified previously resolved disputes.

Claim 68  (Previously Presented):  The system of claim 65, wherein the server presents the result of the comparison by generating an outcome prediction as a function of the facts and outcomes of the identified disputes, and presenting the outcome prediction to the parties.

Claim 69  (Previously Presented):  The system of claim 68, wherein the outcome prediction includes at least one likely outcome.

Claim 70  (Previously Presented):  The system of claim 69, wherein the outcome prediction includes associated probabilities of occurrence of the at least one likely outcome.

Claim 71  (Previously Presented):  The system of claim 69, wherein the server presents the at least one likely outcome to the parties as a potential resolution of the dispute.

Claim 72  (Previously Presented):  The method of claim 15, further comprising:
      determining a current mode of resolving the dispute; and
      automatically selecting a communication mode based on the determination.

Claim 73  (Previously Presented):  The method of claim 22, further comprising providing the data to the parties to assist the resolution of the dispute.

Claim 74  (Cancelled)

Claim 75 (Withdrawn): A system comprising:

> a computer network; and

> a server coupled to the computer network that receives case information that describes an electronic commerce dispute from one or more parties to the dispute via the network, and compares the case information to facts of previously resolved disputes to automatically select a resolution mode comprising one of (i) a direct negotiation mode that allows the parties to directly negotiate a resolution to the dispute via the computer network, (ii) a conciliation mode that allows the parties to negotiate the resolution to the dispute through a mediator, and (iii) mediation mode that allows a mediator to propose a resolution to the dispute.

Claim 76 (Withdrawn): The system of claim 75, wherein the server provides a pre-programmed recommended resolution to at least one of the parties based on the comparison.


Claim 77 (Withdrawn): A method for encouraging parties to an electronic commerce dispute to resolve the dispute through direct negotiation via a computer network comprising:

> maintaining a database that stores facts and outcomes of previously resolved electronic commerce disputes;

> receiving case information that describes the electronic commerce dispute from one or more of the parties to the dispute via the network;

> searching the database to identify previously resolved disputes with facts that are similar to the case information;

> identifying at least one likely outcome of the dispute based on the outcomes of the identified previously resolved disputes; and

> presenting the identified likely outcomes to the parties as a potential resolution to the dispute to assist the parties in negotiating a resolution to the dispute.

Claim 78  (Withdrawn):  A method for integrating an online dispute resolution system with an electronic marketplace to allow users of the electronic marketplace to resolve disputes and provide users of the electronic assurance that disputes will be resolved comprising:

   providing an electronic marketplace as a website that is accessed by users via a computer network and enables the users to buy and sell items;

   indicating within the electronic marketplace website the availability of a dispute resolution system that is coupled to the computer network to resolve disputes between the users of the electronic marketplace;

   embedding uniform resource locators associated with the dispute resolution system within a hypertext markup language application for the website to enable users of the electronic marketplace to access the dispute resolution system from the electronic marketplace; and

   displaying media objects within the website that are associated with users of the electronic marketplace,

   wherein the appearance of the media objects is related to data maintained by the online dispute resolution system that is related to use of the dispute resolution system by the users.

Claim 79  (Withdrawn):  A method comprising:

   providing an electronic marketplace that is accessed by users via a computer network and enables the users to buy and sell items; and

   indicating the availability of a dispute resolution system to resolve disputes between the users of the electronic marketplace by displaying to the users one or more medallion associated with the dispute resolution system within the electronic marketplace.

Claim 80  (Withdrawn):  The method of claim 79, further comprising displaying the media objects to indicate which of the users are members in the dispute resolution system.

Claim 81  (Withdrawn):  The method of claim 80, further comprising controlling the appearance of the media objects based on data maintained by the dispute resolution system that describes the use of the dispute resolution system by the users.

Claim 82 (Withdrawn): The method of claim 81, further comprising controlling the appearance of the media objects based on participation of the users within the dispute resolution processes and compliance with results of the dispute resolution process.

Claim 83 (Withdrawn): A method for indicating to users of an electronic marketplace whether other users of the electronic marketplace participate in an online dispute resolution system comprising:

    providing an electronic marketplace via a website that is accessed by users via a computer network and enables the users to buy and sell items;

    displaying media objects received from the dispute resolution system and associated with users of the electronic marketplace that participate in the dispute resolution system within the website,

    wherein the appearance of the media objects is related to data maintained by a server associated with the dispute resolution system relating to participation of the users of the electronic marketplace in the dispute resolution system.

Claim 84 (Withdrawn): The method of claim 83, wherein displaying media objects comprises displaying medallions within web pages associated with users of the electronic marketplace that participate in the dispute resolution system.

Claim 85 (Withdrawn): An online dispute resolution system comprising a computing system that performs a computer-assisted multi-mode dispute resolution process for resolving a dispute between two parties, wherein the computing system:

    performs an analysis of the dispute and present pre-programmed recommended resolutions based on the analysis in a first mode;

    performs a match of needs of the two parties as defined by the dispute to resolve the dispute in a second mode;

    provides a medium for the parties to independently resolve the dispute in a third mode; and

    assigning a dispute resolution specialist to resolve the dispute in a fourth mode upon failure to reach a resolution in at least one of the other modes.

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Claim 86 (Withdrawn): The method of claim 85, wherein the dispute resolution specialist utilizes a message exchange of the computing system to interact with the parties to reach a recommended resolution.

Claim 87 (Withdrawn): The method of claim 85, wherein the computing system assigns the dispute resolution specialists

Claim 88 (Withdrawn): An online dispute resolution system comprising:

a software program to automatically assemble case information that describes an electronic commerce dispute between parties from records provided by the parties,

wherein the software module presents sample resolutions to the parties to aid the parties in resolving the case, and disaggregates elements of the dispute and presents the case information in a form that identifies areas of agreement between the parties.

Claim 89 (Withdrawn): The system of claim 88, further comprising a case base reasoning system that processes the case information that identifies similar past cases, and presents one or more settlement proposals and likely outcomes for the parties to assist the parties in resolving the dispute.

Claim 90 (Withdrawn): The online dispute resolution system of claim 88, further comprising a software program to prompt settlement between the parties.

Claim 91 (Withdrawn): A method comprising:

training a dispute resolution specialist by requiring the dispute resolution specialist to experience transactions within online marketplaces including at least an auction site;

presenting simulated online dispute resolution cases to the dispute resolution specialists to assess the skills of the dispute resolution specialists; and

assigning online disputes to the dispute resolution specialists only upon completion of the training and successful resolution of the simulated online dispute resolution cases.

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Claim 92  (Withdrawn):  An online dispute resolution system comprising:

a first software program operating on a computing system to assemble case information that describes an electronic commerce dispute between parties from records provided by the parties; and

a second software program operating on the computing system to assist a dispute resolution specialist in identifying similar cases from a historical database of past cases.

Claim 93 (Previously Presented):  The system of claim 64, wherein the server compares the case information to facts of previously resolved disputes to automatically select a resolution mode comprising one of (i) a direct negotiation mode that allows the parties to directly negotiate a resolution to the dispute via the computer network, (ii) a conciliation mode that allows the parties to negotiate the resolution to the dispute through a mediator, and (iii) mediation mode that allows a mediator to propose a resolution to the dispute.

Claim 94  (Previously Presented):  The system of claim 93, wherein the server provides a pre-programmed recommended resolution to at least one of the parties based on the comparison.

Claim 95 (Previously Presented):  The system of claim 64, wherein the server:

performs an analysis of the dispute and present pre-programmed recommended resolutions based on the analysis in a first mode;

performs a match of needs of the two parties as defined by the dispute to resolve the dispute in a second mode;

provides a medium for the parties to independently resolve the dispute in a third mode; and

assigns a dispute resolution specialist to resolve the dispute in a fourth mode upon failure to reach a resolution in at least one of the other modes.

Claim 96 (Previously Presented):  The system of claim 95, wherein the server provides a message exchange by which the dispute resolution specialist interacts with the parties to reach a recommended resolution.

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Claim 97 (Previously Presented): The system of claim 95, wherein the server automatically assigns the dispute resolution specialists.

Claim 98 (Previously Presented): The system of claim 64, further comprising a software program executing on the server to automatically assemble the case information from records provided by the parties, wherein the software module presents sample resolutions to the parties to aid the parties in resolving the case, and presents the case information in a form that identifies areas of agreement between the parties.

Claim 99 (Previously Presented): The system of claim 64, further comprising:

a first software program operating the server to assemble the case information from records provided by the parties; and

a second software program operating on the server to assist a dispute resolution specialist in identifying similar cases from a historical database of past cases.

Claim 100 (Previously Presented): The method of claim 1, further comprising maintaining a database that stores facts and outcomes of previously resolved electronic commerce disputes, and wherein executing software apply a case-based reasoning system comprises:

searching the database to identify previously resolved disputes with facts that are similar to the case information;

identifying at least one likely outcome of the dispute based on the outcomes of the identified previously resolved disputes; and

presenting the identified likely outcomes to the parties as a potential resolution to the dispute to assist the parties in negotiating a resolution to the dispute.

Claim 101 (Withdrawn):  The method of claim 1, further comprising:

   providing an electronic marketplace as a website that is accessed by users via a computer network and enables the users to buy and sell items;

   indicating within the electronic marketplace website the availability of a dispute resolution system that is coupled to the computer network to resolve disputes between the users of the electronic marketplace;

   embedding uniform resource locators associated with the dispute resolution system within a hypertext markup language application for the website to enable users of the electronic marketplace to access the dispute resolution system from the electronic marketplace; and

   displaying media objects within the website that are associated with users of the electronic marketplace,

   wherein the appearance of the media objects is related to data maintained by the online dispute resolution system that is related to use of the dispute resolution system by the users.

Claim 102 (Withdrawn):  The method of claim 1, further comprising:

   providing an electronic marketplace that is accessed by users via a computer network and enables the users to buy and sell items; and

   indicating the availability of a dispute resolution system to resolve disputes between the users of the electronic marketplace by displaying to the users one or more medallion associated with the dispute resolution system within the electronic marketplace.

Claim 103 (Withdrawn):  The method of claim 102, further comprising displaying the media objects to indicate which of the users are members in the dispute resolution system.

Claim 104 (Withdrawn):  The method of claim 102, further comprising controlling the appearance of the media objects based on data maintained by the dispute resolution system that describes the use of the dispute resolution system by the users.

Claim 105 (Withdrawn): The method of claim 102, further comprising controlling the appearance of the media objects based on participation of the users within the dispute resolution processes and compliance with results of the dispute resolution process.

Claim 106 (Withdrawn): The method of claim 1, further comprising:

providing an electronic marketplace via a website that is accessed by users via a computer network and enables the users to buy and sell items;

displaying media objects received from the dispute resolution system and associated with users of the electronic marketplace that participate in the dispute resolution system within the website,

wherein the appearance of the media objects is related to data maintained by a server associated with the dispute resolution system relating to participation of the users of the electronic marketplace in the dispute resolution system.

Claim 107 (Withdrawn): The method of claim 101, wherein displaying media objects comprises displaying medallions within web pages associated with users of the electronic marketplace that participate in the dispute resolution system.

Claim 108 (Previously Presented): The method of claim 1, further comprising:

training a dispute resolution specialist by requiring the dispute resolution specialist to experience transactions within online marketplaces including at least an auction site;

outputting simulated online dispute resolution cases to the dispute resolution specialists via the computer network to assess the skills of the dispute resolution specialists; and

assigning online disputes to the dispute resolution specialists only upon completion of the training and successful resolution of the simulated online dispute resolution cases.

Claim 109 (Previously Presented): The method of claim 1, further comprising applying a case-based reasoning system to the information to produce a result for use in selection of a mode of resolving the dispute in accordance with an online dispute resolution process.

Claim 110 (Previously Presented):    The method of claim 1, further comprising:

electronically receiving with the online dispute resolution system enrollment requests from the marketplace; and

automatically initiating enrollment of sellers or buyers within the dispute resolution system in response to the electronic requests from the marketplace.

Claim 111 (Previously Presented):    The method of claim 1, wherein the online dispute resolution system and the marketplace have separate databases, the method further comprising:

automatically electronically communicating the transaction data between the database of the online dispute resolution system and the database of the electronic marketplace.

Claim 112 (Previously Presented):    A system comprising:

an online dispute resolution system that electronically receives transaction data from a marketplace that provides a web-based community having buyers and sellers of goods and services, the transaction data describing transactions within the electronic marketplace,

wherein the dispute resolution system executes software that utilizes the transaction data and applies a dispute resolution process to assist the buyers or sellers in resolving disputes relating to the transactions, and

wherein the online dispute resolution system electronically provides status data to the marketplace based on participation of the buyers or sellers within the online dispute resolution process.

Claim 113 (Previously Presented):    The system of claim 112, wherein the online dispute resolution system electronically receives enrollment requests from the marketplace, and initiates enrollment of sellers or buyers within the dispute resolution system in response to the enrollment requests.

Claim 114 (Previously Presented):    The system of claim 112, wherein the online dispute resolution system comprises a membership database that maintains the status data for the sellers and buyers of the marketplace that are members of the online dispute resolution system.

Claim 115 (Previously Presented):   The system of claim 112,

wherein the online dispute resolution system and the marketplace have separate databases, and

wherein the online dispute resolution system comprises a data manager software application to automatically communicate data between the database of the online dispute resolution system and the database of the electronic marketplace.

Claim 116 (Previously Presented):   The system of claim 114, wherein the dispute resolution system and the marketplace are implemented at least in part as software executing on a computer system having data storage devices.

Claims 117 (Previously Presented):   The system of claim 116, wherein the dispute resolution system and the marketplace communicate via the computer system.

**APPENDIX: EVIDENCE**

1.    Appellant's 132 Declaration entered in the record on June 23, 2003.

PATENT

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

| | | | |
|---|---|---|---|
| Applicant: | Lalitha Vaidyanathan, John Quinn, Ahmed Khaishgi, Cara Cherry | Examiner: | Naresh Vig |
| Serial No.: | 09/504,159 | Group Art Unit: | 3629 |
| Filed: | February 15, 2000 | Docket No.: | 1018-001US01 |
| Title: | ELECTRONIC DISPUTE RESOLUTION SYSTEM | | |

## DECLARATION UNDER 37 C.F.R. 1.132

Commissioner for Patents
Washington, D.C. 20231

I, Steven E. Abernethy, submit the following declaration traversing the grounds of rejection set forth by the Examiner in the Office Action mailed February 13, 2003, as follows:

### *Overview*

1. I am the Chief Executive Officer, President and Co-founder of SquareTrade, Incorporated ("SquareTrade"), the assignee of the present application.

2. I have reviewed the present application and currently pending claims.

3. I co-founded SquareTrade in 1999 to provide a way for people to transact online with peace of mind. Since then, SquareTrade has rapidly grown to become the world's leading online dispute resolution service.

4. SquareTrade provides an online dispute resolution system ("SquareTrade's system" or "the system") that incorporates substantially all of the elements set forth in the pending

claims 1-17, 22, 25-31 and 56-91 of the present application. These claimed online

dispute resolution systems and processes have achieved immense commercial success

within the world's largest online marketplace, eBay, and have addressed long-felt and

unsolved needs, as described in detail below.


*Inapplicability of the cited prior art with respect to online dispute resolution*


5.    The inventions claimed in the present application are significantly different from the

systems described by the primary reference cited by the Examiner, namely Sloo (US

5,895,450), rendering the Examiner's reliance on Sloo inappropriate and irrelevant as

evidence of unpatentability and, in particular, inapplicable to online dispute resolution as

claimed.


*Claims 1, 56 and 64*


6.    The claimed invention, in claim 1, requires applying a case-based reasoning system to the

case information to produce a result for use in selection of a mode of resolving the

dispute in accordance with an online dispute resolution process, and presenting the result

of the application of the case-based reasoning system to the case information to the one or

more parties.   In claim 56, the invention requires comparing the case information to facts

of previously resolved disputes to produce a result for use in selection of a mode of

resolving the dispute in accordance with a dispute resolution process, and presenting the

result of the comparison to the parties.  According to claim 64, the invention requires a

database to store facts and outcomes of previously resolved disputes, and a server to

receive case information that describes an electronic commerce dispute from one or more

parties to the dispute via a network, wherein the server compares the case information to

the facts of previously resolved disputes stored by the database to produce a result for use

in selection of a mode of resolving the dispute, and presents a result of the comparison to

the parties via the network.  The SquareTrade system substantially includes j of these

claimed features.

7. The processes described in Sloo does not relate to online dispute resolution as the term is defined in the art, but to the contrary is directed to adjudication, or pronouncing a "judgment" or decision, via a computer automated process or a negotiator, judge or jury. Sloo's system is one where there are "losing" or "prevailing" parties (as Sloo alludes to for example on column 8, rows 56-58). Sloo's is NOT related to an online dispute resolution process, as recited in claim 1, 56 and 64. A dispute resolution process, as well known in art, is a conciliation-based process of reaching compromise, mediating a mutually agreeable settlement and then only accepting that settlement once the disputing parties are in agreement.

8. An adjudication-based system is one based on declaring one party "right" and one "wrong," and is akin to a court-like legal system. An adjudication-based system is based on an adversarial system where parties present their cases and one party prevails over the other. In an adjudication-based system, the "judgment maker" makes a decision based on the evidence presented by both parties, and does not interact with them to help them determine the reasonableness or correctness of their positions or to assist them in changing their positions to find common ground. The "judgment" is also made based on a codified set of laws that provide the basis for the judgment. The law is also generally territorially based (e.g., the laws of California, or the laws of France).

9. This is fundamentally different from a dispute resolution process, as recited in claims 1, 56 and 64, which is not an adversarial process and is not based on determining right or wrong. There is no concept of a prevailing or a losing party and there is no concept of a "judgment". A conciliation-based process focuses on working with disputing parties and helping them modify their positions to find a common settlement. There is no concept of determining if the parties' right or wrong.

10. The Examiner's arguments that compare Sloo's use of data, in reaching automated judgments, and in assigning an adjudicator are all irrelevant as they relate to adjudication processes and a focus of a system for "defining law," which is completely different from SquareTrade's dispute resolution processes, as claimed. A conciliation based system is based around helping parties arrive at a settlement – and helping them achieve a feeling of fairness or a settlement that they can both accept. Because there is no concept of right

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or wrong, there is no need to agree on a "basis of law" or prior agreed upon structure to make the judgment.

11. Furthermore, at a practical level, an adjudication-based system generally has 3 requirements for it to be effective: (1) a pre-agreed commitment from the parties to abide by the "judgment"; (2) an agreed upon basis of "law" to make a "judgment"; and (3) an ability to enforce the "judgment" if one is made and the losing party refuses to abide by it. This is critical as the "losing" party otherwise has very little basis for abiding by the "judgment" and the system loses credibility.

12. Hence, the only practical applications are where parties have pre-agreed upon suspending their legal rights (e.g., credit card agreements) and there are pre-defined rules on adjudication and the courts have refused to give the users any further legal recourse.

13. A conciliation-based system – as it is based upon voluntary participation – does not have the concept of a "judgment," a "losing party" or a "basis of law" and therefore does not suffer from any of the crippling shortcomings of an adjudication based system. Adjudication is particularly limiting in contexts where it is difficult to set a rule of law (e.g., global settings or cross-jurisdictional settings) or where parties are not willing to pre-commit to a binding process and decision.

14. The SquareTrade system applies historical data through manual or automated processes to facilitate online-dispute resolution processes, as required by claims 1, 56, 64. Sloo conversely claims the ability to create some form of "case law" or generally accepted "judgments" based on very impractical and vague reference to other data. The SquareTrade system uses precedents to aid parties to recognize fairness and come to a mutually agreeable settlement. The SquareTrade system does not utilize data to form a judgment, but utilizes historic data to present reasonable alternatives to help parties better articulate their issues, help parties recognize compromise, and move parties toward mutual agreement. Moreover, substantial evidence of success is set forth below that demonstrates how the described and claimed processes of the present application have allowed SquareTrade to be effective at both of these novel processes: helping parties communicate and identify a fair resolution in a self-service manner through the use of

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presenting historic relevant data, and achieve the same with the assistance of a dispute resolution specialist.

*Claims 22, 25, 78, 79, 83-84, 91*

15. The claimed invention, in claim 22, requires providing a forum storing data on participation of a buyer or seller in dispute resolution process to resolve electronic commerce disputes in an electronic marketplace.  The claimed invention, in claim 25, requires that the data relate to compliance of a participant to the final decision made in the resolution of the dispute. The claimed invention, in claim 78, is directed to a method for integrating an online dispute resolution system with an electronic marketplace to allow users of the electronic marketplace to resolve disputes and provide users of the electronic assurance that disputes will be resolved.  This claim requires numerous features that relate to online dispute resolution within an electronic marketplace.  The claimed invention, in claim 79, requires providing an electronic marketplace that is accessed by users via a computer network and enables the users to buy and sell items, and indicating the availability of a dispute resolution system to resolve disputes between the users of the electronic marketplace by displaying to the users one or more media objects associated with the dispute resolution system within the electronic marketplace.  Claims 83-84 and 91 also specifically recite elements that relate to online dispute resolution within an electronic marketplace.  The SquareTrade system substantially includes each of these claimed features.

16. The adjudication processes and system described by Sloo could not effectively or practically ever function to support disputes in e-commerce or a global online marketplace setting.  Most principally, a "judgment" based recourse system is NOT appropriate to serve e-commerce due to the global nature of parties involved in transactions. This is a dilemma that e-commerce has faced since inception, since buyers and sellers most often reside in different geographies (different states or countries) with different laws. This means there is no legal framework that is truly universally applicable, and hence makes "judgments" difficult or impossible to be "globally" appropriate.

17. In contrast, dispute resolution processes require parties to have pre-agreed to use a particular adjudication system and to have given up their consumer rights to other recourse. Because of this, regulatory bodies including the FTC, Dept of Commerce, and European Union Commission now agree that means of alternative dispute resolution that focus on conciliation or mediation are the best means of recourse in e-commerce. Conciliation and mediation processes work because they do not require parties to agreement to "local" laws, but instead are effective as they focus parties on achieving a mutually agreeable resolution or compromise.

18. In sharp contrast to Sloo's patent, SquareTrade's claimed processes achieve the above important principles that are essential to an accessible and effective recourse mechanism for an online and geographically diverse setting, such as a global online marketplace. Notably, these described and claimed processes have been implemented and achieve immense success within the world's largest online marketplace, as quantified below.

*Claims 16*

19. Claim 16 requires communicating using a public messaging mode in which communication is automatically shared between all of the parties and the dispute resolution specialist, and a private messaging mode in which communication for a given one of the parties is automatically shared only between that one of the parties and the dispute resolution specialist. The SquareTrade system substantially includes each of these claimed features. In this manner, communications are still maintained confidential from the general public, and two modes are used to control the exchange and sharing of communications between the parties and the dispute resolution specialist.

20. Unlike these requirements of the claimed invention, Sloo's adjudication processes are not confidential in nature, and hence violate another important attribute of effective dispute resolution where consumers and businesses alike will feel comfortable participating. Throughout, Sloo's descriptions, complaint and party personal data are described as being accessible through a publicly available and publicly searchable database. Traditional offline alternative dispute resolution (ADR) processes, ranging from private negotiations

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to mediation to arbitration, are all confidential in nature. Confidentiality is a key benefit influencing parties to pursue ADR relative to the public nature of traditional litigation. Parties will generally not participate in such a process if they are not guaranteed confidentiality of participant information and specifics of the dispute proceedings. Sloo's "public" process focus, of making most information publicly sharable, is clearly impractical and inappropriate. The SquareTrade system and processes, as claimed, uniquely provide these requirements to achieve successful online dispute resolution.

*Claim 2*

21. As opposed to an adjudication or judgment-based process, the SquareTrade substantially conforms to applicants' claim 2, and can be characterized by enabling automatic selection of an appropriate mode of resolving the dispute based on the result from the case-based reasoning system, one mode requiring the online dispute resolution process being driven by an electronic agent to assist the parties in resolving the dispute and another mode involving a human dispute resolution specialist. Further there are multiple sub-processes where cases can be routed to most appropriately handle a case type. These principles of helping disputing parties come to recognition of fair compromise and mutually agreeable settlement are implemented within the SquareTrade system as modes of resolution: from automated self-service resolution processes to resolution processes facilitated by a Dispute Resolution Specialist (DRS), and allowed the SquareTrade system to handle a substantial volume of disputes, as quantified below.

*Evidence of commercial success and long-felt unsolved needs*

22. Following is a breadth of evidence that illustrates the commercial success and effectiveness of SquareTrade's pioneering online dispute resolution system, as described and claimed in the pending application.

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23. SquareTrade created the first commercial online dispute resolution system to integrate with an online marketplace, eBay (the world's largest online marketplace). This system incorporates substantially all of the elements of claims 1-17, 22, 25-31 and 56-91.

24. Since launch of the service in February 2000, the SquareTrade system incorporates these claimed processes has handled over 500,000 disputes and currently handles 50,000 new cases a month. In addition, the claimed processes have also been applied to create an online solution for the California Association of Realtors to resolve residential real estate disputes. Moreover, SquareTrade has recently been selected recently been selected by the Federal Trade Commission to provide online dispute resolution services that applies the claim to global consumer disputes received through the "econsumer.gov" program.

25. The innovative SquareTrade system filled a new and large unmet need in e-commerce and online marketplaces. Traditional governance and enforcement mechanisms were not effective online as too costly, too slow and often lacking jurisdictional relevance due to parties being in different locations (e.g., difficult for a buyer in Florida to pursue small claims court against a seller in Nevada or Mexico City for a $200 online purchase). Further disputes are more likely to occur online due to the Internet's largely impersonal, often anonymous, and transactional nature, coupled with time delays between payment and exchange of goods, all combining to lower trust in transactions.

26. The SquareTrade system filled this gap by providing an accessible, practical, neutral and affordable mechanism to resolve disputes anywhere in the world, and was the first to integrate such a solution into an online marketplaces and e-commerce in a scalable and extensible manner.

27. The SquareTrade system has handled over 500,000 disputes since its February 2000 launch, and is currently handling over 50,000 new disputes a month and concurrently managing over 20,000 active cases at any given time. Illustrating global access, this includes disputes across 100 countries in 5 languages.

28. SquareTrade was selected by the World Economic Forum as one of the top 100 global technology pioneers in 2000 and 2001 (recognizing excellence in deploying new technologies to address global social issues)

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29. In January 2003, SquareTrade was awarded CPR Institute for Dispute Resolution's 2002 Outstanding Practical Achievement Award based on the SquareTrade System. This is likely the most prestigious national award in the Dispute Resolution field and is awarded by a panel of the General Counsels of some of the largest US companies. http://www.cpradr.org/awards-2002.htm

30. SquareTrade's unique online capabilities for providing recourse to users in various kinds of transactions has led to broad recognition and invitations to demonstrate its process from many major national and international institutions and organizations, such as the Federal Trade Commission, the Department of Commerce, the United Nations Economic Commission for Europe, the United Nations Conference on Trade and Development for e-commerce in Africa, the OECD, and the Global Business Dialogue on e-commerce.

31. Significant evidence exists of the practical use and effectiveness of its processes related to utilizing data from prior cases through case based reasoning and manual methods as well as means of using visual clues on the screen to achieve to signal areas of agreement and fairness (See, e.g., claims 1, 56, 64, and 75). Given the highly standardized nature of e-commerce transactions and associated disputes and particularly disputes within a given marketplace, SquareTrade has been able to draw from the precedence of now hundreds of thousands of resolved disputes to guide processes. SquareTrade is able to utilize this data to create a customized online dispute resolution process for users based on their role (e.g., buyer, seller), location of transaction (e.g., eBay, website), and dispute type (e.g., item damaged, item different from described, feedback related).

32. The claimed online dispute resolution system and processes have allowed SquareTrade to create an effective self-service tool to automate what would previously have required in-person mediation (clearly the prior alternative is impractical for e-commerce or low-value transactions). Today over 50% of cases, where both parties participate, reach successful resolution through SquareTrade's self-service filing, response and direct negotiation service. This is a huge benefit to consumers (as free to users today) and a significant accomplishment, particularly given the scale of dispute volume. This represents hundreds of disputes resolved daily using the automated processes. These are disputes that would

otherwise have been left with NO practical recourse solution prior to SquareTrade's existence.

33. The invention, as required by claim 20, requires providing visual cues to highlight agreements between the parties. Claim 21 requires visually highlighting areas of agreement and disagreement. Claim 88 requires an online dispute resolution system comprising a software program to automatically assemble case information that describes an electronic commerce dispute between parties from records provided by the parties, wherein the software module presents sample resolutions to the parties to aid the parties in resolving the case, and disaggregates elements of the dispute and presents the case information in a form that identifies areas of agreement between the parties.

34. These requirements of claims 20, 21, and 88 have impacted the ability of the SquareTrade system to practically achieve the aforementioned success rates by creating a visual framework allowing parties to better articulate and to recognize fairness. Moreover, the use of case precedent, as required by many of the claims, gives parties easier ability to recognize compromise amongst the various options, where they might otherwise have only stuck to a single position not have been able to effectively communicate their issues at all. Further, the visual presentation of highlighting desired outcomes to the respondent so they can easily see areas of agreement and disagreement with the filer have all proven effective in facilitated self-service conciliation.

35. Claim 2 requires selecting one of two modes of resolving the dispute based on the result from the case-based reasoning system, the first mode requiring the online dispute resolution process being driven by an electronic agent to assist the parties in resolving the dispute and the second mode involving a human dispute resolution specialist. The use of data by the SquareTrade system to select a mode of resolution have proved effective and practical, and have impacted the commercial success of SquareTrade's online dispute resolution system. The SquareTrade system is able to recognize when certain modes of resolution will or maybe required for a dispute type (e.g., mediation) and then route them accordingly in the user experience to make more expeditious and less antagonistic for the disputants. See, e.g., the required elements of claim 88. Today this includes routing over

100 disputes a day that relate in some form to online reputation to a specialized dispute resolution process.

36. As declared above, claims 22, 25, 78, 79, 83-84, 91 all recite elements that relate to an electronic marketplace. These claimed features of the SquareTrade's solution have proven highly effective in building trust in an online marketplace (eBay) through its role of resolving disputes. Analysis illustrates successful resolution correlates to greater customer retention and increased propensity to transact again in eBay's online marketplace. Based on responses from post dispute surveys from a meaningful sample of users, 70% of respondents involved in a successfully resolved dispute indicated they were comfortable returning to eBay to shop again even though they just had a dispute versus only 31% of respondents from unsuccessful cases indicating they would ever shop again on eBay. Another analysis of sample users illustrated this increased confidence to transact, showing that a sample of buyers who successfully resolved a dispute through SquareTrade, were involved in 15% more transactions post dispute than those buyers whose cases were not successfully resolved. Further evidence has been collected in multiple eBay administered surveys of buyers, which consistently list access and commitment to ODR as a top 3 concern in consumer willingness to buy or bid on higher priced goods at eBay.

37. eBay's ever increasing integration of the SquareTrade system that incorporates the claimed processes gives strong practical evidence of the value in linking SquareTrade's online dispute resolution services to an online marketplace setting, the largest online marketplace in the world. Recognizing the value of ODR to increase trust and safety, eBay now extensively provides visibility and education to their users of access to SquareTrade's online dispute resolution and the existence of SquareTrade Seal members as reasons to feel trustworthy engaging in a purchase on eBay's online marketplace. "Buy with Confidence" or equivalent links are found throughout eBay, which include description and hyper-linked access to SquareTrade's Services. SquareTrade's ODR is also integral to eBay's fraud protection program, as a suggested step prior to making a fraud claim with eBay. This is because the formality of ODR is often effective in eliciting participation from the responding party, where the filer was otherwise unsuccessful.

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Further, eBay's reputation system, "feedback forum" uses SquareTrade's neutral ODR processes as a means of integrity, and requires SquareTrade to mediate or administer any user requested changes to eBay's "feedback forum". Specific SquareTrade programs have also been launched in eBay's marketplace including a Motor's Verified Seller program that can include a Seller Guarantee that tie to specific SquareTrade online dispute resolution processes and seller pre-commitments to ODR, which are displayed to prospective buyers as a trust building device.

38. Claim 31 requires showing a visual indicia to indicate membership in the dispute resolution process. Claim 30, requires the visual indicia be a medallion. As evidence of the success of SquareTrade's claim for a medallion to indicate this commitment of parties to online dispute resolution, SquareTrade launched the SquareTrade Seal program in June of 2000, which substantially incorporates these claim elements. This system enables sellers to display that they are pre-committed to participating in ODR and high selling standards with the Seal. As of June 2003, over 36,000 Seal Members are active around the world, making the SquareTrade Seal program the world's largest online certification program of its kind. Never before was this possible to link so seamlessly between a transaction, a seller, a buyer and an affordable (often free) neutral process to dispute an issue. In the past, pre-commitment through a contract was possible but in practice might take weeks or months to find a time to mediate in person or to dispute in court. In addition, due to the time and cost barriers, a consumer would not likely pursue. Also never before was the display of such pre-commitment possible in an authenticated and relevant manner, as SquareTrade's seal serving technology on a specific transaction listing in eBay's online marketplace.

39. Claim 29 requires providing a market-based system for assigning a specialist to a particular dispute. Claim 91 requires training a dispute resolution specialist by requiring the dispute resolution specialist to experience transactions within online marketplaces, presenting simulated online dispute resolution cases to the dispute resolution specialists to assess the skills of the dispute resolution specialists; and assigning online disputes to the dispute resolution specialists only upon completion of the training and successful resolution of the simulated or monitored online dispute resolution cases.

40. The commercial success and practical value of the process of at least claims 29 and 91 are illustrated now though a current network of over 100 active dispute resolution specialists (DRS), who are generally performing online mediation for SquareTrade. SquareTrade system is currently assigning roughly 150 to 200 new cases per DAY to its DRS network to facilitate mediation. Further, showing benefits superior to in-person mediation, the SquareTrade system is usually able to assign cases to mediators within 48 hours and generally reaches resolution within 3 weeks of asynchronous iteration of the dispute. The SquareTrade system is also automatically able to distribute cases based on the skill set of the recipient. For example, currently cases that relate to non-feedback related mediation request are automatically directed to one group of mediators and cases that involve only eBay feedback of the dispute are automatically directed to another sub-panel.

41. The SquareTrade system incorporating the claimed processes has received significant press recognition that illustrates both commercial success and long-felt need as follows:

- "As the Internet draws the world together, people are discovering there are no courts in cyberspace. ... Online ADR permits the application of a mix of computer and human resources to resolving disputes. The online mediation service SquareTrade is pioneering this approach" James H. Johnson, May 1, 2000, Legal Times.

- "The need for online dispute resolution mounts as Web use grows"...EBay spokesman Kevin Pursglove said..."Even though it involves a small number of people now, (use of mediation) is going to spread. It's going to build trust in the system. The feedback has been overwhelmingly positive" Kirk Shinkle, Investor's Business Daily, October 26, 2000

- "SquareTrade, best known for handling dispute resolution online for auction site eBay Inc., received a Practical Achievement award, presented by Barbara E. Daniele, senior vice president and general counsel at G.E. Capital Commercial Equipment Financing in Danbury, Conn. "We need to be innovative in the way we resolve disputes," said Daniele, adding that the innovations must be done "in a way that they benefit society." She said the eBay online dispute resolution systems ... helps people who can't afford lawyers, and therefore was "one of the best
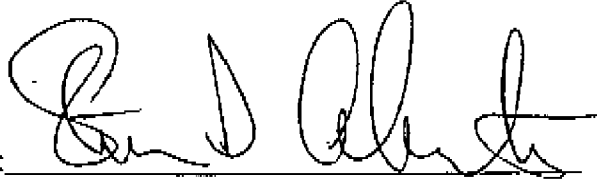
examples we could find" of ADR innovation that benefits society." CPR Institute of Dispute Resolution, February 2002

- "...what if, despite best intentions, something does go wrong? SquareTrade fosters trust with services for those times when disputes arise. In the physical world, frustrated buyers and sellers have options ranging from threatening letters on legal stationery to mediation, arbitration and litigation. All these are still available when the transaction occurs online, but physical distance between the parties my make them difficult to utilize. Moreover such physical world recourse mechanisms impose substantial costs and headaches that participants, especially small businesses and individuals, may loathe to take on." Kevin Werbach, Release 1.0, October 17, 2000.

- "If a buyer and a seller end up in a dispute, SquareTrade will help the two sides reach a middle ground. Once again, the purpose is to overcome the Net's trust deficit. Thanks to SquareTrade, eBay's customers know that if they get ripped off, an impartial mediator will help redress their grievance at little or no cost." Sebastian Mallaby, The Washington Post, April 2, 2002.

- "Tech-forward Californians are offered an Internet service provided by the California Association of Realtors (CAR) and run by SquareTrade Inc. which allows homebuyers and sellers to resolve their disputes online. "We have always been involved in dispute resolution," explains CAR's general counsel June Barlow. "This is the next step in making it more accessible. We have remote parts of California that don't have access to mediators, and it is convenient for busy people to go online. People also move around a lot and distance is a hurdle. This way you are home at your PC."" Blanche Evans, Realty Times, June 12, 2002

- "When real-estate transactions get nasty, they can get really nasty. Can the Internet make it all better? Some real-estate agents think so. The California Association of Realtors is promoting a new nationwide service that helps buyers and sellers who get mired in disputes come to terms via a secure Web site, without meeting face to face. The site, run by SquareTrade Inc., San Francisco, asks the two sides in the conflict to enter their beefs online, and then lets its software -- or, if necessary, a

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human mediator -- iron it all out in cyberspace. Among the upsides of this process is that buyers and sellers don't have to get together in the same room, which can be especially helpful when the two parties don't live in the same town -- or when they hate one another. Also, the service in most cases is less expensive than using traditional mediators." Patrick Barta, Wall Street Journal, June 10, 2002

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date:____6 / 12 / 03____    Signed:_____

Steven D. Abernethy

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# APPENDIX: RELATED PROCEEDINGS

No decisions have been rendered in proceedings identified in the Related Appeals and Interferences section of this brief.